

Cabinet Report

Date of Meeting: 11 June 2019

Report Title: Re-Commissioning of Food Contracts for Fresh Meats and Poultry in Schools

Portfolio Holder: Cllr Dorothy Flude, Children and Families

Senior Officer: Mark Palethorpe, Acting Executive Director of People

1. Report Summary

- 1.1. Cheshire East Catering is a successful service provider delivering a high quality catering service to Cheshire East Schools; around 100 schools in total. The two contracts concerned relate to the purchasing of food items which are used in the preparation of school meals.
- 1.2. The Catering service currently holds a Silver Soil Association accreditation for the food served within schools. To maintain this standard, the produce must be sourced from the NW region where possible providing Seasonal, Organic, Sustainable, Free Range, Traceable and Healthy foods in line with the Council's priority of supporting children and their families to live long, healthy and successful lives.
- 1.3. This report is concerned with the contract for Fresh Meat and Poultry Products.
- 1.4. Currently the provision for Fresh Meat is contracted to three local butchers, Quality Cuts, Littler and Barrows who cover specific geographical areas across the Borough.
- 1.5. The Fresh Meat contracts commenced on 1st October, 2015 and have maximum terms, including extensions, to 30th September, 2019.
- 1.6. The desired outcome for the Service is to again utilise the contractual model which splits the delivery region into "Lots", to enable smaller suitably qualified businesses (similar to current providers) to tender for these provisions and therefore, support the local economy.
- 1.7. The new Fresh Meat and Poultry Products contract term is proposed to run from October 2019 for an initial three year period with options to extend for

two further periods each of 12 months. The current annual spend on this contract is £427,851 making a total new contract value over the five year term of £2,139,255.00 and as such requires Cabinet approval.

1.8. The Corporate Procurement Unit has examined procurement options currently available and advises the Council to run its own EU-compliant tender processes.

1.9. The council plans to bring forward a draft environment strategy in July, which will outline the steps the council can take to improve its impact on climate change and the environment. Suppliers will be encouraged to demonstrate impact on the carbon footprint through locally sourced produce.

2. Recommendations

That Cabinet

2.1 Approve the re-commissioning processes in line with Public Contract Regulations 2015.

2.2 Delegates authority to the Acting Executive Director of People in consultation with the Portfolio Holder for Children & Families, to award contracts to the successful bidders by Lot.

3. Reasons for Recommendations

3.1 To ensure that the Council obtains maximum value for money and to ensure robust, compliantly procured contract(s) are awarded for fresh meat.

3.2 To ensure that the quality of foods being accessed by children is of the highest quality and offers best contractual value.

4. Other Options Considered

4.1. Extending the existing contracts is no longer an option.

4.2. Procurements options via other framework agreements have been considered however, this would mean separate contracts for each type of product.

5. Background

5.1 The lot process involves the Borough splitting down into 11 lots, bidders can bid for up to 11 lots. The lots are in geographical areas i.e., Poynton and Bollington, Knutsford, Crewe area 1, Crewe area 2, Alsager, Nantwich,

Congleton, Sandbach, Holmes Chapel and Middlewich, Macclesfield, Wilmslow.

- 5.2 These contracts relate to the supply and delivery of items of: fresh meat and poultry products; as required for use in Primary Schools and High Schools and other Catering Establishments in the preparation of meals / catering requirements within the Borough of Cheshire East.
- 5.3 The service wish to encourage locally based providers to supply Fresh Meat and Poultry produce, this is in line with the Governments School Food Plan and Cheshire East Council's corporate plan goals, for this reason the procurements have been divided into regional lots.

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. The existing contracts have been extended to their full extent.
- 6.1.2. The total aggregate value of the contracts will be in the region of £2.139 million over the full 5 year term and so the Council is required to carry out a competitive procurement exercise in accordance with the Public Contracts Regulations 2015 and the Council's own Contract Procedure Rules.

6.2 Finance Implications

- 6.2.1 A summary of the financial implications of this contract show that the total aggregate value of the contracts will be in the region of £2,139,255.00 million pounds over the full 5 year term.
- 6.2.2 The budget for this contract is generated by school meals income which is managed by Cheshire East Catering. If the service cannot generate sufficient income to cover costs then there is a pressure on the Council's base budget. The outturn position in recent years has highlighted an issue with covering costs as a result of increases in staffing and food costs and limitations on increasing income from pupils.

6.3 Equality Implications

- 6.3.1 Procurement arrangements will ensure that a fair and equitable process has been undertaken to re-commission this contract.

6.4 Human Resources Implications

- 6.4.1 Not applicable – TUPE arrangements do not apply to this contract.

6.5 Risk Management Implications

- 6.5.1 There is a potential risk that the current retendering process does not yield a new supplier(s) to the required standard within the timeframes as set.

6.6 Rural Communities Implications

- 6.6.1 There are no direct implications for rural communities although sourcing local suppliers may well provide benefits for small business and have a positive impact on climate change and the environment.

6.7 Implications for Children & Young People/Cared for Children

- 6.7.1 The implications for children and young people are to ensure children receive the most nutritious and healthy lunch options every day.

6.8 Public Health Implications

- 6.8.1 Much work has been undertaken by the service to work alongside Health colleagues to promote healthy lifestyles both at school and in the local communities.

7. Ward Members Affected

- 7.1 All Wards

8. Consultation & Engagement

- 8.1. Feedback from parents will be promoted when new provider(s) are appointed; this will be done via the 'Fresh' bulletins, website entries and supported by Cheshire East communications team.

9. Access to Information

- 9.1. Additional information on this service area can be found via the 'Fresh' website, see the link below:

<http://freshcateringservices.co.uk/>

10. Contact Information

- 1.1. Any questions relating to this report should be directed to the following officer:

Name: Mark Bayley

Job Title: Head of Service: Education Infrastructure & Outcomes

Email: mark.bayley@cheshireeast.gov.uk