

London Borough of Hammersmith & Fulham

LEADER'S URGENCY REPORT

JUNE 2019



TACKLING FOOD POVERTY IN OUR SCHOOLS

Report to the Leader – Councillor Stephen Cowan

Open Report with exempt appendices

The appendices A and B are exempt from disclosure on the grounds that they contain information relating to the **financial or business affairs of a particular person (including the authority holding that information) under paragraph 3** of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Classification - For Decision

Key Decision: Yes

Other services consulted:

Schools and social care commissioning including the school's meal team

Wards Affected: ALL

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Reasons for Urgency:

Food poverty is a growing crisis in the borough. This challenge is a direct result of changes in the social security system and increases in the cost of living in London outstripping growth in household incomes. The result is stubbornly high levels of child poverty, one of the most invidious impacts of which is food poverty. This is particularly so in areas of high deprivation, or in schools with concentrations of pupils affected by economic disadvantage. We know that without meeting children's basic needs such as food and shelter, they cannot take advantage of Hammersmith and Fulham's world-class primary and secondary schools, nor progress into high-value jobs that our dynamic economy will create over the coming years.

The Council's Industrial Strategy seeks to create the conditions for the development of an inclusive economy, with local residents sharing in the benefit of the borough's economic growth. A key focus is on improving social mobility, enabling children from Hammersmith and Fulham to make the leap from relative poverty into high-value jobs. A high-quality education system, that focuses on wider wellbeing that supports learning, and that is strongly connected to our growing knowledge economy is key to making this happen.

The Council has identified three major strategic interventions which can help catalyse action around this problem:

- (a) investment to support and develop a cross-borough primary school breakfast club offer which is free to families;
- (b) a pilot to test the efficacy of a universal free school lunch offer in two of the borough's secondary schools – Woodlane in White City, and Fulham College Boys in Fulham; and
- (c) support to galvanise schools, parents, businesses and social innovators to develop new solutions to food poverty

The former builds on existing excellent work by the borough's schools but eliminates costs to parents and aims to increase uptake and outreach to the most disadvantaged communities; the second would test the financial, public health, and attainment benefits of a free, universal free school lunch at secondary level. The selection of the schools for the UFSM pilot has been informed by the fact that there are high levels of deprivation in those areas. Equally, the focus of strategic support to the breakfast clubs, will be on increasing outreach in those schools with more disadvantaged catchments.

This decision is urgent. There would not be enough time to commission a support provider to support the breakfast club offer by September 2019 or make necessary arrangements for the mobilisation of the free school meals pilot by January 2020 if this decision was delayed until July Cabinet. This would delay the benefit to schools, parents and children of the breakfast club provision and free lunch pilot unnecessarily.

This report therefore sets out recommendations to enable implementation of the above interventions through budget approval, undertaking commissioning activity to work with specialist organisations, making use of existing contract arrangements where applicable and partnership arrangements with schools

The value of the service is above £100,000. The total cost is estimated at £3,715,602 over four years.

Date by which decision is required: As soon as possible please.

AUTHORISED BY:

The Leader has signed this report

DATE: 7 June 2019

1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval for investment in three initiatives that seek to address food poverty in Hammersmith and Fulham. These are:
- Funding and commissioning of support to facilitate a high-quality breakfast club offer in each of the borough's primary schools, building on existing provision but making this free to parents;
 - Investment in a pilot for the provision of a universal free school meal offer in two of the borough's secondary schools – Woodlane High School in White City and Fulham College Boys in Fulham - to test the efficacy of such an offer at secondary level; and
 - Provide support to galvanise schools, parents, businesses and social innovators to develop new solutions to food poverty. This will prototype a range of projects, providing a menu of activity which individual schools and their partners can take forward.

Free breakfast club offer

- 1.2. The borough's community of schools already invests significantly in primary school breakfast club provision, recognising the wellbeing and attainment benefits of such an offer. This provides a safe, supervised environment where children can have a nutritious breakfast in the hour before registration for the school day. However, stretched budgets mean that the majority of schools across the borough now levy a charge for this, and there are limited resources to help develop the offer, increasing the reach to those families who might benefit from it most.
- 1.3. While the Council is not currently able to fund this provision in the long-term from revenue budgets, the report proposes a medium-term investment from section 106 (s106) monies received to enable support for a period of four years, although to date funding has only been identified for the first two years. A further Cabinet decision will be required to identify and approve funding for years three and four of the project.
- 1.4. There would be a strong focus on how to make this sustainable without reliance on Council or school budgets at the end of this four-year period. The cost of the primary school breakfast offer is estimated at £2.6m over four years, including the costs of commissioning a provider to support schools to develop their offer as well as reimbursing schools for the costs of staffing and food. This will be funded from s106 monies with budget for years one and two requested through this report. However, the Council will seek to reduce the call on this by identifying other sources of public and philanthropic funding as part of a focus on long-term sustainability of a free, high-quality provision.
- 1.5. A provider would be commissioned and in place by September 2019, enabling them to begin work with schools. The Council will commence detailed work with schools to understand staffing models and costs of existing breakfast club models, making a financial payment to cover these costs in return for a

service level agreement that requires them to eliminate charges to parents and to engage with the commissioned provider.

Universal free school meal (USFM) pilot

- 1.6. The Government currently invests in universal free school meals from reception to year two, and a small number of other local authority areas invest to provide free meals to all from year three to year six. The Council's view is that central government should invest in free provision for the whole of the primary stage of education, noting the substantial evidence base for increases in attainment. There is no similar, substantial evidence base for the efficacy of free school meals at secondary level.
- 1.7. The high levels of child poverty and food insecurity in Hammersmith and Fulham, evidenced by the substantial growth in the use of foodbanks mean that there is a strong case to test this approach. There are foodbank locations serving White City (The Hub) and Fulham (St Matthews), evidencing the high levels of need in these areas. While the Council is not currently able to fund provision across all secondary schools, or on a permanent basis, it can use s106 monies to trial and evaluate such a policy and make this data available to national and local government to inform policy-making.
- 1.8. The free school meal pilot covers two schools – Woodlane High School in White City and Fulham College Boys in Fulham which draws a substantial number of its students from south Fulham. In addition, the commissioning of an evaluation is estimated at approximately 20% of the cost of delivering the pilot, a benchmark consistent with industry standards for high-quality social policy evaluation. The estimated value of the pilot and evaluation is noted in exempt appendix A.
- 1.9. The report recommends that the Council approves this investment and gives authority to commission a provider to support the borough's breakfast club offer. It also provides authority to enter into necessary discussions with schools and their catering providers with a view to varying contractual and delivery arrangements to facilitate a free school meals pilot. It provides authority and budget to commission an evaluation partner to evaluate the free school meals pilot, ensuring high standards of evidence are provided.
- 1.10. Funding for the estimated costs is proposed to come from s106 resources. £1,963,188 of s106 funding has been identified to date which will fund the estimated costs for the first two years of the breakfast club provision, the secondary school meal pilot and associated project management and food poverty costs, leaving £1,752,414 of funding still to be identified for years three and four.
- 1.11. Whilst officers will seek to identify future s106 resources to fund the budgeted four-year costs, these are not yet received or confirmed, there are risks that additional s106 funding may not be available if the planned developments do not proceed as expected and the latest forecast of reserves identified very

limited headroom to fund any new commitments should s106 or other funding not be available. As these costs are unfunded at this point, the Council should ensure that any related contracts have sufficient break clauses in contracts to enable the ceasing of provision in years three to four should funding be unavailable and contingency plans are in place to curtail the pilot in the event that further funding is not available.

- 1.12. Officers will need to work to ensure that the breakfast club offer is self-financing after year four as no further funds have been identified and identify the source of funding after year four should the results of the school meals pilot recommend a full or partial roll out of provision.

2. RECOMMENDATIONS

- 2.1. It is recommended that the Leader of the Council:

- 2.1.1. Approves a total budget of £2,587,214 profiled over four years to fund investment to support primary school breakfast club provision;

- 2.1.2. Approves a budget to fund investment in a USFM pilot in two of the borough's secondary schools. The value of this investment is noted in exempt appendix A;

- 2.1.3. Approves a budget to support the development of an innovation process focused on new, school-based solutions to food poverty and to support overall project management of the breakfast club provision and USFM pilot. The value of this investment is noted in exempt appendix A;

- 2.1.4. Allocates funding of £1,963,188 of s106 funding to fund the first two years' costs related to the above budgets.

- 2.1.5. Notes that the Strategic Director for the Economy will seek to identify the additional required funding of £1,752,514 for years three and four and a further Cabinet approval will be required at that stage.

- 2.1.6. Notes that the Strategic Director for the Economy will look to identify funding for continued provision of the breakfast club service and/ or ensure this is self-financing from April 2023.

- 2.1.7. Approves the procurement strategy set out at exempt appendix B for the commissioning of a strategic partner to support and enhance the primary school breakfast club offer and delegates authority for awarding the contract to the Director for Children's Services and the Strategic Director for the Economy in consultation with the Cabinet Member for the Economy and the Arts, and the Cabinet Member for Children's Services.

- 2.1.8. Agrees to waive the requirements under Contract Standing Order (CSO) 8.11.1 for a procurement strategy in relation to the procurement competition to identify an organisation to undertake the evaluation of the USFM pilot and to procure this provider by way of an open tender process, and delegates the award of a contract for the evaluation to the Strategic Director for Children's Services and the Strategic Director for the Economy in consultation with the Cabinet Member for the Economy and the Arts and the Cabinet Member for Children's Services.
- 2.1.9. Notes that budget for a universal free school meal pilot includes provision for an expert advisor to the Council on the preparation of the procurement documentation and strategic advice on the management of an evaluator for the UFSM pilot, and delegates the award of a contract for this to the Director for Children's Services and the Strategic Director for the Economy in consultation with the Cabinet Member for the Economy and the Arts, and the Cabinet Member for Children's Services. The value of this contract is noted in exempt appendix A.
- 2.1.10. Notes that the budget for the innovation process and project management includes provision for a service design expert to support schools and community partners to develop innovative ideas for the service, and delegates the award of a contract for this to the Director for Children's Services and the Strategic Director for the Economy in consultation with the Cabinet Member for the Economy and the Arts, and the Cabinet Member for Children's Services. The value of this contract is noted in exempt appendix A.
- 2.1.11. That the Leader of the Council approves a variation to the existing school meals contract with Cater Link Ltd that commenced 6 June 2016 and which has recently been extended by way of a separate report to 31 July 2020. The recommendation to vary this contract is to facilitate the universal free school meals pilot at Fulham College Boys School and is required to reflect the change in pricing structure.
- 2.1.12. That Cabinet delegates authority to the Strategic Director for Economy Department and the Director for Children Services to agree in consultation with the Cabinet Member for the Economy and the Arts and the Cabinet Member for Children's Services, how the total budget of £3,715,602 is spent to further the strategic objectives of reducing food poverty set out in the report, varying this when there are good operational or procurement reasons and the total budget is contained within the agreed budget envelope.

3. REASONS FOR DECISION

- 3.1. Food poverty and food insecurity are growing issues nationally, in London, and for Hammersmith and Fulham. Levels of child and family poverty are high in the borough and food poverty is amongst the most damaging impacts of this, with consequences for children's ability to learn and their wider health and wellbeing.
- 3.2. The Council has identified three strategic interventions which would enable the borough to mitigate some of these impacts. These are:
 - (a) the provision of a free, comprehensive breakfast club offer across the borough;
 - (b) the piloting of a universal, free school meal offer at secondary level covering Woodlane High School in White City and Fulham College Boys in Fulham. This will be supported by a high-quality evaluation; and
 - (c) support to galvanise schools, parents, businesses and social innovators to develop new solutions to food poverty
- 3.3. The breakfast club offer would support and extend existing provision across the borough's primary schools. The free school meal pilot would test the efficacy of a policy which is unproven, but for which there is growing evidence and support from policy makers and civic society organisations. The commissioning of support to help schools and their partners develop new solutions will help develop a range of actionable solutions which individual schools can take forward.
- 3.4. In order to progress this activity, the Council needs to allocate budgets and necessary approvals to enable the commissioning of support providers, evaluation partner, and to enter into discussions with pilot schools and their catering provider to make necessary arrangements.

4. PROPOSAL AND ISSUES

- 4.1. This report seeks approval for investment in three initiatives that seek to address food poverty in Hammersmith and Fulham. These are:
 - Funding and commissioning of support to facilitate a high-quality breakfast club offer in each of the borough's primary schools, building on existing provision and making this free to parents
 - Investment in a pilot for the provision of universal free school meal offer in two of the borough's secondary schools – Woodland in White City and Fulham College Boys in Fulham - to test the efficacy of such an offer at secondary level
 - An innovation process which supports schools and community partners to develop new solutions to food poverty.

The overall cost of this investment is set out in the exempt appendix A.

Strategic rationale

- 4.2. Food poverty is an increasingly urgent issue nationally. A record 1.6m emergency food parcels were given out by the Trussell Trust foodbank network last year, more than 500,000 of them to children. Over the last five years, demand has risen by 73%, highlighting the impact of rising poverty and changes in the social security system. Hammersmith and Fulham Foodbank, affiliated to the Trussell Trust and supported directly by Council funding, distributed 11,706 three-day food parcels in 2018/19, up from 4,400 in 2014/15.
- 4.3. National evidence demonstrates the damaging impact of food insecurity on children. The Food Foundation estimates that almost 4 million children in the UK live in households that would struggle to afford to buy enough fruit, vegetable, fish and other healthy foods to meet official nutrition guidelines. This has an impact on children's health and their ability to have the best start in life, in particularly how they can thrive at school. While Hammersmith and Fulham schools are amongst the best in the country, the failure of our national economy and social security system to support those in poverty mean that some children are unable to gain the maximum benefit from it for issues outside the control of teachers and governors.

Poverty, work and free school meals

- 4.4. It is increasingly clear that the relationship between poverty and work is changing. A 2017 study by the Trust for London has shown 58% of Londoners who are in poverty are living in a working family, with almost 10% of those in poverty being so despite that fact that there are two parents in full-time work. The basic threshold to qualify for free school meals is low compared to the cost of living in London, and many people who are in relative poverty are unlikely to qualify. In the UK, having one parent in paid work usually makes families ineligible for free school meals - this is despite the fact that most of the children who are growing up in poverty live in households where at least one parent works.
- 4.5. Equally, London Councils estimates that there are 3,000 families in London who are subject to immigration controls meaning that they do not qualify for the majority of welfare benefits, including free school meals. Families and children in these circumstances are often living in desperate poverty.
- 4.6. A recent report by the Child Poverty Action Group (CPAG) and Thomas Coram Research Unit at University College London stated that all schools' meals should be provided free for all children at all stages of compulsory education as part of the normal school day, without stigma or means testing.

Strategic response to food poverty

- 4.7. In this context, there is a compelling case for the Council to galvanise a strategic response.

Primary school breakfast clubs

- 4.8. The borough's schools have long recognised the relationship between broader economic and social factors and children's ability to learn and do well at school. Eight in ten of the borough's primary schools facilitate a breakfast club which gives children the ability to get a nutritious breakfast and supports parents to enter work by providing them with an affordable childcare option. Nationally studies from the Institute for Fiscal Studies and the Education Endowment Trust show the significant benefits that result from a high-quality breakfast club provision.
- 4.9. However, pressure on school budgets as result of government spending decisions means that schools are often forced to charge parents, and do not have the resources to increase uptake or provide effective outreach to those families who would most benefit. Uptake amongst the 80% of primary schools that do provide breakfast clubs is less than 10% on average.
- 4.10. Most schools in the borough now charge a fee for each session, with an average charge of £2.20 (equating to a charge of £418 per child assuming 100% attendance across a school year)¹. Most schools reduce or eliminate costs for families in receipt of free school meals or in temporary financial difficulty, but this is done on a case by case basis. Charges reduce the financial incentives for parents to take up paid work or volunteering and may unintentionally introduce a barrier when requiring parents to broker a subsidy or exemption. The elimination of charges would remove these barriers and increase uptake, creating a financial benefit for households and support parents into work by reducing the burden of childcare costs.
- 4.11. This report recommends that the Council commits to funding schools to sustain their existing breakfast club provision, eliminating the costs to parents, and working to increase the uptake and outreach with the support of a commissioned provider. The report identifies budget for the first two years of provision, with a further decision from Cabinet required to identify funding for the remaining two years. The estimated costs for four years, beginning in September 2019, and would cover the cost of staffing, purchase of food, set up costs, and the commissioning of a strategic partner to support the development of provision, based on the views of school leaders. The strategic partner would develop a plan with each school to:
- (a) increase the number of children attending breakfast club provision,
 - (b) increase the reach to particular segments of the school population,
 - (c) enrich and develop the offer.
- 4.12. The proposal and estimated costs supports every primary school and local-authority maintained nursery to provide food and supervision at an estimated uptake of 20% of their total pupil roll. This is based on national benchmarks of uptake, staffing and food costs. This would represent at least a 10% increase

¹ This is based on a survey of borough schools in March 2019. The response rate was 30%. Charges range substantially from £2 to £4.

based on current attendance. The finance implications section models costs based on a 10% and a 30% uptake.

- 4.13. The total required funding for four years is £2,587,214. The breakdown of this cost between commissioned support and the cost of grant funding to schools to eliminate costs to parents is noted at exempt appendix A.

Universal free school meal pilot at secondary school

- 4.14. The report also recommends that the Council invests in a four-year pilot of universal free school meals at Fulham College Boys and Woodlane High School. There is currently no national funding for universal free school meals at secondary level. The Government does fund a universal free provision for the first three years of primary school (from reception to year two) but children in years three to six are required to pay or provide their own packed lunch.
- 4.15. A small number of local authorities top up the government's offer, funding a free meal for the last four years of the primary phase. The costs of doing this range from between £2.2m and £6m per year, depending on the unit price of a meal and pupil rolls. Initial estimates of the cost of doing this in Hammersmith and Fulham are that this would cost at least £2m per year. The Council's view is that central government should invest in free provision for the whole of the primary stage of education, noting the substantial evidence base for increases in attainment.

There is no similar, substantial evidence base for the efficacy of free school meals at secondary level, but there is a growing consensus amongst think tanks and charities of the benefits of such interventions. There are substantial potential public health benefits, as well as positive impacts on household budgets and attainment. There is also increasing evidence of the stigmatising effect of claiming free school meals, with lasting psychological effects of the shame associated with relative poverty, often exemplified at school through receipt of the free school meal benefit. It is also the case that entitlement to free school meals is no longer an accurate assessment of relative poverty, meaning that many children who are in poverty are not being supported.

- 4.16. The cost of delivering a free, universal secondary offer across Hammersmith and Fulham's 12 secondary schools is set out at exempt appendix A.
- 4.17. The total cost of delivering the pilot to Fulham College Boys and Woodlane, at an estimated uptake of 85%, is set out at exempt appendix A.

Variation to the School Meals Contract to facilitate the pilot

- 4.18. The report recommends that the Leader of the Council approves a variation to the existing contract with Cater Link Ltd that commenced 6 June 2016 and which has recently been extended by way of a separate report to 31 July 2020. The recommendation to vary this contract is to incorporate the universal free school meals offered at Fulham College Boys School and is required to reflect the change in pricing structure. This does not change the economic

balance of the contract, and is below the 10% threshold of safe harbour 72, 1 (f) as set out in paragraph 5 of the Procurement Contracts Regulations 2015. The costing model to enable this variation is set out in exempt appendix A.

- 4.19. The contract variation for the Lot 2 Cater Link school meals contract is required to reflect the change in overhead costs whereby historically gross profits from cash sales at the school have been deducted from overheads. In view of the increase in UFSM uptake, the gross profit from sales will be significantly reduced so the sales element needs to be removed from the overheads.
- 4.20. A contract variation is not required for Lot 1 Interserve as there is no change to the pricing structure, other than an increase in staffing overheads and meal volumes. This is similarly below the 10% threshold of contract variations falling into safe harbour 72, 1 (f) paragraph 5 also. The contract for Interserve (Lot 1) has been extended until 31 July 2020 only. The Cater Link Ltd (Lot 2) has been extended for the School Meals service to the 31 July 2020, with the option to extend until 6 June 2021 if required.
- 4.21. The contract extension for Cater Link Ltd who provide school meals for Fulham College Boys is up to 2 years (June 2021). This will be within the first 2 years of the pilot, so there is no financial risk for the proposed contract variations if the funding is only available for 2 years instead of 4. Lot 1 is only to July 2020, so if the decision is taken to procure both lots together this will result in a provider change and may pose a risk in terms of increased pricing for the remainder of the pilot.
- 4.22. Officers will shortly be completing an options appraisal for the School Meals procurement to identify medium and long term solutions. It is therefore likely that the provider will change during the pilot however this will be managed as part of the wider procurement and mobilisation strategy.

Evaluation

- 4.23. Given the priority to influence national policy, an appropriate evaluation partner is essential, and spend of around 10-20% of a pilot's delivery budget is standard. Launching the pilot without an evaluation partner in place and having sufficient time to engage with schools and develop materials to establish baselines will substantially weaken the ability of the pilot to influence future policy and opportunities to assess some elements of the work would be lost. The approximate cost of the evaluation is set out at exempt appendix A. A waiver for a procurement strategy is sought because of the specialist nature of the invitation to tender. The Council has little experience of this type of social policy evaluation and is engaging with external experts to help develop an appropriate procurement strategy. The indicative timetable for publishing and expression of interest is July 2019.
- 4.24. There is also provision within the budget for the pilot to commission strategic advice to develop an appropriate Invitation to Tender (ITT) and to client a

partner once in place. This is necessary because the Council has limited experience of commissioning evaluations of this scale and sophistication, and because the need to produce a high-quality evidence base on which to make future decisions is a key objective for the pilot. The estimated cost of this is set out at exempt appendix A.

Support for new solutions

- 4.25. There is a strong consensus within the community of schools in Hammersmith and Fulham that food poverty, and child poverty more generally, constrain the ability of our world-class primary and secondaries to deliver the very best start in life for our young people.
- 4.26. There is strong support for investment in breakfast club provision and free school meals to act as a stimulus for action across the private, voluntary and public sectors. However, there are likely to be a range of possible solutions which can support the core mission of reducing and ultimately eliminating food poverty for the borough's young people. This could include food provision at different points in the school day, investment in kitchen and storage facilities, cookery classes, or tailored support such as 'walking buses' that can drive up attendance at breakfast clubs.
- 4.27. This strand of the project involves a high-quality 'innovation' process which supports schools and community partners to develop these ideas from concept stage through to prototype and then a clear blueprint for an intervention which will have demonstrable impact. A partner with expertise in service design techniques will launch this process through a 'hackathon' in September 2019, and the support prototypes that emerge over the following three months. The result will be a menu of well-evidenced interventions which schools and their partners can progress. The cost of this support has been benchmarked, and the expected budget is set out at exempt appendix A. Some of this activity can be taken forward through existing budgets, and some will require additional resources. A small innovation fund budget will be available to support those interventions which can benefit from seed funding. This is set at £60,000.

Funding strategy

- 4.28. The proposed funding source for the project is s106 and funds. There is identified funding which can be allocated for 2019/20 and 2020/21. The Council forecasts sufficient additional contributions to fund the budget for 2021/22 and 2022/23 but these are subject to market risk and the developments proceeding as planned. The majority of contracted provision falls within the first two years of the project, with a contract for an evaluation partner requiring funding across the lifetime of the contract.
- 4.29. It is also an express objective of the project to identify alternative funding to support the breakfast club provision, as part of a strategy for sustainability. As alternative funding sources become available they can avoid the need to draw

down on assumed budgets and funding, making funding available for other Council priorities.

5. OPTIONS AND ANALYSIS OF OPTIONS

- 5.1. There are several options to for meeting the Council's priority of addressing food poverty. The Council could do nothing, however, this would not address the strategic objective of working with schools to mitigate the impact of food poverty in the borough. The main alternative options for the two core aspects of the policy are set out below.

Breakfast club provision

5.2. Option 1: Do nothing and rely on charges to fund a primary school breakfast club offer

Pros: This would avoid any further investment and enable identified funding to be deployed on other priorities in relation to the development on an inclusive economy in Hammersmith and Fulham. There are existing breakfast club provisions, supported through charging parents, and this provides a basis to make the provision sustainable.

Cons: this would miss an opportunity to eliminate charging to parents, increasing uptake and outreach to families suffering from relative and in-work poverty. The potential to increase the number of children accessing the offer through reduced charges and providing support and capacity to schools would make a substantial contribution to a number of objectives including health and wellbeing of children, attainment and educational performance, and reductions in the impact of poverty.

5.3. Option 2: Invest in primary school meal top up

An alternative approach to working with schools to reduce food poverty could be to invest in providing free school lunches to years three to six of the later stage of primary education

Pros: This would meet the policy objective of supporting food poverty and reducing stigma associated with a targeted free school meal provision. There is a strong evidence base and the Government already commits to funding the infants offer and a small number of local authorities already invest in the top up.

Cons: This option is not preferred because the Council view is that it would be more appropriate for this cost to be funded by central government, extending the existing infants offer to year three to year six of the primary phase. Where there are local authorities who top up the offer, they do so from core Council budgets as there is a clear expectation that his provision is funded by the state. The Council does not envisage the breakfast club offer as being funded by the Council in full after the pilot period, with a model to ensure sustainability based on attracting funding from philanthropic sources.

Universal free school meal pilot

5.4. **Alternative option – invest in universal free school meal pilot for all the borough’s secondary schools**

Pros: this would enable the borough to test a far greater range of variables and provide greater confidence in the benefits of the policy than piloting with a smaller range of schools.

Cons: the cost of such investment would be approximately £3.2m. In contrast to the universal free school meal offer at primary level, there is relatively little existing evidence to prove the efficacy of this policy. It is therefore prudent to test the approach in a more limited pilot.

6. CONSULTATION

- 6.1. There has been consultation with officers from social care commissioning and children’s services. Primary school head teachers were also consulted at cluster meetings in April and May. A range of external organisations with expertise in child poverty and food poverty were also engaged as part of the development of policy options.

7. EQUALITY IMPLICATIONS

- 7.1. There are no negative equality implications for protected groups by the approval of the budgets and procurement strategy, as set out in the Recommendations, under the Equality Act 2010.
- 7.2. A positive impact on children from certain protected groups is anticipated as the breakfast club provision and the universal free school meals pilot will directly contribute to addressing food poverty in the borough’s schools.
- 7.3. Implications completed by: Fawad Bhatti, Social inclusion policy manager, tel 07500 103617.

8. LEGAL IMPLICATIONS

- 8.1. This report is proposing five contracts. The details of these are set out at exempt appendix A:
- 8.2. The borough’s primary schools will deliver the free primary school breakfast clubs themselves. The council will provide grant funding to the schools to facilitate this. There is therefore no public contract to be procured by the council. There are also no state aid implications with this type of grant.

Type of contract

- 8.3. Under the Public Contracts Regulations 2015 (“PCR 2015”), the contracts proposed in this report are classified as follows:

- 8.3.1. Breakfast Club Support Contract, UFSM Meals Contract and Service Design Contract: schedule 3 services contracts (CPV code 55523100-3: school-meal services); and
- 8.3.2. UFSM Evaluation Contract (CPV code 73300000-5: design and execution of research and development), and UFSM Evaluation Support Contract (CPV code 73210000-7: research consultancy services): services contracts.

Threshold

- 8.4. The current threshold under the PCR 2015 for schedule 3 services contracts is £615,278 and for services contracts it is £181,302.
- 8.5. Therefore, all of the contracts are below the relevant threshold and therefore only a small portion of the PCR 2015 are applicable to these contracts.

Below threshold contracts

- 8.6. For the below threshold contracts, the council is not obliged by the PCR 2015 to hold a procurement competition before awarding the contract. However, the council is nonetheless still required to comply with the general Treaty on the Functioning of the European Union (TFEU) principles of transparency, equal treatment, non-discrimination and proportionality. Accordingly, undertaking procurement competitions for these contracts would be encouraged in order to adhere to these principles.

Competition requirements for below threshold contracts

- 8.7. The CSOs have different requirements for contracts depending on their value: (1) below £25,000, (2) £25,000 to below the relevant threshold, and (3) the relevant threshold and greater.
- 8.8. All of the contracts are in category (2). Therefore the CSOs require framework agreements to be considered or otherwise to seek public quotations using the e-tendering system and the government's Contracts Finder website (CSO 10.2a).

UFSM Meals Contract

- 8.9. This report is proposing to vary the existing secondary school meals contract with Cater Link Ltd (the "CL Contract") to include the delivery of the UFSM pilot (ie the UFSM Meals Contract) in its scope. The CL Contract has an annual value of £440,000 and a maximum possible five-year term. For the purposes of the PCR 2015 it has a nominal value of £2,200,000 and therefore the PCR 2015 are applicable in full. Modifications to such contracts during their term are dealt with under regulation 72 of the PCR 2015. For a modification to be permissible it must fall under one of six safe harbours. In this case, the modification falls under regulation 72(1)(f) of the PCR 2015, in that it is below the relevant financial threshold (being £615,278 for schedule 3 services contracts) and less than 10% of the initial contract value (see paragraph 4.20 of this report for the full calculation). It also does not alter the overall nature of the contract (72(1)(a)(ii)). The modification is therefore permissible.

Legal comments completed by Hector Denfield, associate at Sharpe Pritchard LLP, on secondment to the council (hdenfield@sharpepritchard.co.uk)

Legal comments on s106

- 8.10. It is proposed that funding for the projects set out in this report will come from three financial contribution from agreements made under Section 106 of the Town and Country Planning Act 1990 between the Council and developers.

Chelsea Creek section 106 agreement dated 27 March 2012 includes an 'Education Contribution' for the purpose of providing primary and secondary education facilities and services within the borough. The proposals in this report are towards primary education services within the borough.

- 8.11. Thames Tideway Tunnel section 106 agreement dated 12 February 2014 includes a 'Community and Education Impact Contribution' to be used towards a community and education enhancement scheme. The schemes proposed in the report have the effect of enhancement as they are seeking to deal with the issue of food poverty in school aged children.

- 8.12. Chelsea Harbour Section 106 agreement dated 2 July 2013 includes a 'Social and Physical Infrastructure Contribution' for matters such as Children's services and initiatives, health and well being facilities and education facilities and services which can only be used within the South Fulham Area. Whilst the project is borough wide, one part of the borough which is likely to be most affected is in South Fulham. This is because of a high density of primary schools in this area and the fact that one of the UFSM is Fulham College Boys, a school serving the South Fulham area. The proposals in the report will fall within the purposes as set out in the definition detailed above.

S106 legal comments completed by Adesuwa Omoregie, Chief Solicitor, (Planning, Highways, Licensing and Property)

9. FINANCIAL IMPLICATIONS

- 9.1 Financial implications are set out in exempt appendix A.

10. IMPLICATIONS FOR LOCAL BUSINESS

- 10.1. There are no implications for local businesses and additional economic and social value beyond what is proposed, given the size and nature of this service.
- 10.2. The approach does provide a basis for local businesses to become involved positively in furthering a range of social and economic objectives as part of the borough's Industrial Strategy. The innovation process explicitly seeks to build effective relationships between schools and business, hence, there will be good potential for local business engagement. In addition, there is scope for suitable local businesses to bid for work on this project and the Project Lead will work with the Local Supply Chain Programme to identify and engage local SMEs.

10.3. *Implications verified/completed by Albena Karameros, Economic Development Team, tel. 020 7938 8583*

11. COMMERCIAL IMPLICATIONS

- 11.1. The service to be provided under the proposed contract for strategic support to the borough's breakfast club offer falls under the category of Social and other specific services as defined by Chapter 3 Section 7 and listed in Schedule 3 of the Public Contracts Regulations (PCR) 2015 ("the Regulations"). The statutory threshold for Schedule 3 services is £615,278. The proposed contract is under the statutory threshold so full PCR 2015 do not apply.
- 11.2. The recommendation is in line with the Council's CSOs that classify a contract of this value as "Medium Value" (£25,000 to below £615,278). It is required that competitive tenders are sought through an open process if "calling off" from an existing framework agreement is not possible. No suitable framework agreements for the provision of this service were identified. As a result, the recommendation is compliant with the CSOs. A full tender opportunity will be published in Contracts Finder and capitalEsourcing.
- 11.3. Social Value has been considered and will represent 5% of the quality assessment criteria.
- 11.4. Procurement Implications completed by Andra Ulianov, Head of Contracts and Procurement, 07776672876

12. IT IMPLICATIONS

- 12.1. There are no IT implications resulting from the proposals in this report.
- 12.2. If the contractors and consultants involved in the proposed initiatives will be processing sensitive data on behalf of H&F (for example, to undertake and evaluate the pilot) a Privacy Impact Assessment will need to be completed to ensure all potential data protection risks are properly assessed with mitigating actions agreed and implemented.
- 12.3. Contracts will need to include H&F's data protection and processing schedule which is General Data Protection Regulation (GDPR) compliant.
- 12.4. *Implications verified/completed by: Karen Barry, Strategic Relationship Manager, tel. 020 8753 3481*

13. PLANNING COMMENTS

- 13.1. Following a successful bid to S106/CIL board, it has been agreed that £1,983,188 of S106 funds can be drawn down over two financial years to help fund this project. These funds are to be drawdown from qualifying community related s106 contributions.

Implications verified/completed by: (David Gawthorpe, Team Leader Development Planning 0208 753 3384).

14. RISK MANAGEMENT

- 14.1. The proposals are consistent with the delivery of the council priority, creating a compassionate council. Benefits of the introduction of a breakfast offer in schools include but are not limited to;
- Improved academic performance;
 - Reduction in behavioural problems;
 - Improved children's diets and a school breakfast also helps build lifelong healthy eating habits.
- 14.2. The Council's financial commitments have been clarified in sections 9.4 and 9.11 of the report and the proposed procurement strategy ensures that best value will be attained in accordance with the Being Ruthlessly Financially Efficient priority.
- 14.3. There is a risk that take up will be higher than forecast leading to the available funding be fully utilised in a shorter time period than anticipated, impacting on the ongoing provision and sustainability of the provision. Officers should ensure that activity and costs for each of the initiatives is closely monitored throughout the period.
- 14.4. There is also a risk that further funding identified as required is not secured which could lead to early termination of one or more of the initiatives.

Implications verified by: Michael Sloniowski Risk Manager, tel 020 8753 2587, mobile 07768 252703.