

NORTH LANARKSHIRE COUNCIL

REPORT

To: NORTH LANARKSHIRE COUNCIL		Subject: TENDER FOR THE SUPPLY, DELIVERY AND INSTALLATION OF A SCHOOL MEALS CASHLESS PAYMENT SYSTEM
From: HEAD OF EDUCATIONAL RESOURCES AND HEAD OF FACILITY SUPPORT SERVICES		
Date: 16 th June 2011	Ref: MM/TO'H	

INTRODUCTION

The purpose of this report is to seek approval of a tender for the supply, delivery and installation of a school meals cashless payment system.

RECOMMENDATIONS

The Council is recommended:

- (i) to approve the tender process for the supply, delivery and installation of a school meals cashless payment system for a 3 year period with the option to extend for a further 2 years.
- (ii) to agree to the virement of £150,000 from the Learning and Leisure Services catering budget to the CFCR budget line (capital funded from current revenue).
- (iii) to refer the decision to the Learning and Leisure Services and Environmental Services committees for information.



Members wishing further information about the paper should contact:

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NORTH LANARKSHIRE COUNCIL: LEARNING AND LEISURE SERVICES

TENDER FOR THE SUPPLY, DELIVERY AND INSTALLATION OF A SCHOOL MEALS CASHLESS PAYMENT SYSTEM

Report by Head of Educational Resources

1. Purpose of Report

- 1.1 The purpose of this report is to seek approval of a tender for the supply, delivery and installation of a school meals cashless payment system.

2. Background

- 2.1 The existing arrangements for the supply, delivery and installation of the school meals cashless payment system expired in February 2011. In 2010/11 Learning and Leisure Services received additional funding of £1m to support the strategy to increase school meal uptake, particularly free meals reflecting the national changes in free school meal entitlement from August 2009. It has been identified that the overall budgeted level of payment to Catering is projected to under-spend by around £150,000 which could allow the rollout of the cashless payments system in 2011/12.
- 2.2 Cashless payment systems currently operate in 48 schools. This request to tender is part of a continuing initiative by Learning and Leisure Services to roll out the cashless payment system in schools as resources become available. The current payment system service provider is CRB Solutions.
- 2.3 The approach adopted by the service is to prioritise the installation of cashless systems in schools which have the highest free meal entitlement. There is strong evidence that the provision of cashless systems increases uptake by removing any stigma associated with free meals.

For example, a previous installation of system in 8 primary schools increased the uptake by 8.9%. At the same time daily uptake in other primaries decreased by 6.2%

During 2010/2011 cashless systems were installed in 4 primary schools. As a result the average daily free meal uptake increased by 13.05% compared an increase of 1.55% in the sector as a whole the previous year.

3. Proposal

- 3.1 It is proposed that this tender for the supply, delivery and installation of a school meals cashless payment system will have a duration of 3 years with the option to extend for a further 2 years. The tender in the first year will cover 6 primary schools and the upgrading of existing systems up to the value of £150,000.
- 3.2 Systems will be installed in these schools with the highest free meal entitlement and without a cashless system. The schools, together with their free meal entitlement are as follows: Logans Primary (52.8%), Thornlie Primary (35.5%), St Serf's Primary (42.5%), St Margaret of Scotland Primary (35.5%) and the joint campus Wishaw Academy Primary and St Ignatius Primary (53.5%). The tender also provides for upgrades for 4 secondary schools; Brannock High, Kilsyth Academy, St Maurice's High and Our Lady's High School, Cumbernauld.

4. Financial Implications

- 4.1 The proposed contract is for a 3 year period with an option to extend for 2 years. There is a requirement for the contract to be advertised through the EU procurement route. However the only guaranteed financial commitment by the service is £150,000 in the first year. The maximum ceiling level within the contract is £750,000 (5 years at £150,000). However expenditure in years 2 to 5 will only proceed if further budget resource is identified by the service. The tender documentation will include this limited financial commitment.
- 4.2 The service has identified £150,000 within the school meals budget which can be utilised for the purchase and upgrade of equipment in 2011/12. This additional expenditure will be able to be undertaken without compromising the delivery of a balanced outturn position for 2011/12 within Leisure & Learning Services.
- 4.3 The purchase of cashless payment equipment qualifies as capital expenditure. Therefore, a budget virement of £150,000 will be required to recognise this.

5. Recommendations

- 5.1 The council is recommended:-
- (i) to approve the tender process for the supply, delivery and installation of a school meals cashless payment system for a 3 year period with the option to extend for a further 2 years.
 - (ii) to agree to the virement of £150,000 from the Learning and Leisure Services catering budget to the CFCR budget line (capital funded from current revenue).
 - (iii) to refer the decision to the Learning and Leisure Services and Environmental Services committees for information.