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# School Food Provision

## Introduction of new standards for school food

## Contract variation guidance

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# Preface

The Secretary of State has announced new nutrient and food based standards for school food which are aimed at improving the quality of food consumed in schools. Guidance on the new standards is being developed by the School Food Trust and will be published at the end of June this year.

In July 2005, the Department published draft Guidance on Procuring School Meals on its Teachernet website. The Guidance sets out some of the key issues that governors and head teachers will need to consider in reviewing their current service and deciding what to do next. Following publication of the Guidance, the Department was asked to produce a further guide to help schools to make changes to existing contracts. This Guide is aimed at doing that. It may be of use to some local authorities but its main audience is intended to be those in schools who have not had a great deal of previous experience in dealing with contracts.

# Introduction

- 1 This Guide is aimed primarily at schools – at the delivery point of school meals. It is not designed for procurement specialists within local authorities who are already engaged in this area, but it is hoped that some local authorities may find the content useful. There is a reasonable expectation that those of you who are procurement staff know your business and will be well aware of the laws of contract and the intricacies and nuances of public sector procurement. You will know only too well how relatively easy it can be to make mistakes, to commit errors of judgement, to act without suitable knowledge, the results of which can be expensive, embarrassing and with potential long-term implications. Notwithstanding your level of experience you may find some of the Guide useful as a reminder, and at the very least your customer base should be better informed, which should help you in the longer term.
- 2 The Guide is aimed at those of you who are facing the challenge of having to arrange the introduction of new standards for school food and having to do so in a climate where you may have only a limited knowledge of commercial contracts and services. It won't tell you how to do things, that would be presumptuous and probably an impossible task, given the variety of school meals delivery, but it will give you some ideas to build upon; raise some questions for you to think about; and give you some food for thought. Its aim is to increase your knowledge so that you will be better informed during the coming months as changes to school food come into effect.
- 3 Commercial contracts and service delivery is a very specialised area and over the coming months you may find yourself becoming involved with service delivery at a deeper level than perhaps you would ever have expected. One important message to take from this document is the importance of ensuring that you obtain specialist procurement advice. There are a number of public procurement rules which are an essential part of the process and which you will need to comply with (as set out in paragraphs 71-75). Substantial support and knowledge is available to you to help with this, although sometimes the sources are not obvious and they can be difficult to find. In trying to address this, a number of sources have been identified in Appendix 7. One of the most obvious sources of support is your local authority; they do have expertise and a number of authorities have, or are, putting in place arrangements to provide you with access to suitable advice.
- 4 Further assistance will be provided by the School Food Trust who will be issuing guidance to head teachers, governors and school catering staff on the new standards for school food.

## Why will contracts have to be changed ?

- 5 The delivery of school meals is undergoing tremendous change. The Secretary of State has declared that the improvement of school meals through access to better services is a key priority and a number of initiatives from a variety of different sources are underway or are under consideration. Key among these is the introduction of new standards for school food. New food based standards for school lunches will be introduced by September 2006. More stringent nutrient-based standards are recommended to be introduced in primary schools no later than September 2008 and in secondary schools no later than September 2009. Standards for school food other than lunch will be introduced in September 2007.
- 6 The introduction of the new standards means that you will have to review your existing standards. The scale and significance of any changes that may have to be made will inevitably depend on your own circumstances. As schools and providers move towards the full introduction of new standards for school food, almost certainly the associated contracts will need to be varied in some way so that contract details match the revised school food provision and underpin the effective delivery of value for money. These changes will provide a helpful opportunity to consider existing contracts and supplier relationships and to ensure that all of your arrangements are geared towards delivering healthy school meals to pupils in the most effective manner.
- 7 School meals are delivered to schools through a number of contractual arrangements; some are delivered directly via the local authority, others through an external supplier, and some schools take responsibility for the delivery themselves. These relationships are explained in greater detail in paragraphs 17-23.

## Some basic terminology

- 8 Before taking you through some of the important issues you may need to address here are some basic terms that you will come across and which you should understand.

### What is a contract?

- 9 This is a term that is often used but rarely fully understood save by people that are involved with contracts on a regular basis as part of their work. In simple terms a contract is a legally binding agreement between two or more parties which sets out exactly how the service is to be delivered and to what standards. The contract may be between a local authority and a supplier who delivers the service to you; or it may be between your school and a supplier. The contract puts in place the rules under which it is to be operated. These are described within the **terms and conditions** which define the responsibilities that you and your supplier must carry out. The contract will contain certain actions that each party to the contract can take if either of you fail to carry out some, or all, of your obligations. These are known as **remedies** and are the basic tools that you should understand and apply if you are justifiably unhappy about the service delivery and you want it fixed. Contracts contain varying levels of complexity and you should always take professional advice if you are unsure about anything in this area. In addition to terms and conditions almost all contracts will contain various **schedules** that describe particular aspects of the service – a **specification** may be contained within a schedule, delivery times may be described, perhaps school meal times and in particular there should be a pricing schedule. A clear and concise contract protects both parties.
- 10 At Appendix 4 you will find some examples of these contract terms and conditions. You'll note from the language that they are very specifically drafted. Given the complexities of introducing new standards, don't get involved in writing contracts yourself unless you really have to do so and even then you should seek some professional help.

### What is a service level agreement?

- 11 Another term that you have to understand is a **service level agreement** (SLA). An SLA sets out in detail the required service levels and the expected performance and quality of service to be delivered. It defines the service levels and terms under which your school meals services are to be provided. The SLA sets out mutual and individual responsibilities and by clearly stating the requirements and agreed quality of services, both you and your supplier know and understand what targets have to be met in the delivery and support of services.
- 12 If you are in receipt of a school meals service direct from your local authority through their local authority catering provider (commonly known as a DSO (direct services organisation) or through a supplier under contract to the local authority or through a service delivered by the school directly, you are likely to be signatories to a service level agreement (SLA), rather than be a direct signatory to a contract, as defined in the paragraph above.
- 13 The principle difference between the two is that in the event of any disputes within a *contract* either party may resort to formal legal action in a court for resolution; in the case of the *SLA* you cannot take direct action yourself in the court, because you are not the signatory to the contract. In most cases the contract signatory is likely to be your local authority. If you do have any problems, then obviously discuss them with your supplier in the first instance, but ultimately the local authority or the direct contracting signatories are the only agencies that can take any direct action and you should liaise with them to help in finding a solution.

## What is a specification?

- 14 Another term that you are likely to encounter is a **specification**. This is a document within a contract that describes in detail the service and quality levels to be expected from delivery of the service. It is similar to the function of the SLA described previously. You might find it described as 'a statement of needs' or an 'operational requirement', 'statement of requirement', 'statement of service requirement' or 'output-based specification'. Its purpose is to present prospective suppliers with a clear, accurate and full description of your needs, and enable the supplier to meet those needs.
- 15 At appendix 3 are some general pointers about what constitutes a good specification and what you should be looking for. If a specification doesn't meet these general requirements it probably needs some more work. Don't forget that unless you are directly involved in the contract you are less likely to be involved in drawing up the document. If you haven't seen the specification under which your school meals service is being delivered ask to see it. Once informed try and ensure that you have an input into any revised specification.
- 16 In terms of new standards for school food there will be considerable amounts of technical detail because suppliers must adhere to very specific output requirements. This is not one of those examples where you can generalise the requirement and leave the details up to the supplier. If the task of drawing up this document does fall to you make sure that it reflects accurately your mutual understanding of the service and standards. The specification is one of the key defining documents. Unless you have previous experience in this area and are confident about achieving the appropriate outputs arrange to have access to professional catering advice, as well as legal and procurement input.

# Contractual relationships

- 17 School meals are delivered via a series of contracts; you may be a provider, a customer or the contracting authority (you've authorised and signed a contract). At appendix 1 you will find a number of diagrams that set out how these relationships may inter-link and work; have a look and identify where you fit within the various diagrams. This will indicate to you whether you have a 'direct' contractual relationship with your supplier or an 'indirect' relationship via a service level agreement.

## **(A) Service delivery through the local authority, via their direct service organisation**

- 18 You will note that in this example the local authority delivers school meals through its DSO. In order to do this it has direct contractual relationships with suppliers, and through them, the service is delivered via the DSO. The schools in receipt of the service will have an SLA with the DSO and local authority (about 68% of schools are in this category\*)

## **(B) Service delivery through the local authority via a separate contractor**

- 19 In this example the local authority supplies the service through an external contract. There is a direct contract between the LA and the contractor, who will in turn have their own contracts with their suppliers. The LA has a direct contractual relationship with its own contractor, but no relationship with the contractors' suppliers. Schools in receipt of the service in this way will have an SLA with the local authority (about 17% of schools are in this category)

## **(C) Service delivery by the school with its own supplier**

- 20 In this example the school has opted to arrange its own service through an external contractor and there is a direct contractual relationship between the school and the contractor. Again the contractor will arrange its own contracts with its suppliers and the school will have no direct relationship with these suppliers (about 10% of schools have adopted this arrangement)

## **(D) Service delivery by the school with its own supplier but using its own facilities**

- 21 In this case the school has decided to deliver the service itself using its own facilities, sometimes known as 'in-house' delivery. The school will have to enter into a number of direct supplier contracts for such things as the food, staff, kitchen equipment (few schools have followed this model, around 1%).

## **(E) As in (D) above, but other schools have joined as customers**

- 22 In this example a school is providing the service through its own facilities and direct contracts, but other schools in close proximity have 'joined' in, formed 'clusters, and receive the service from the 'central' school. The direct contractual relationship is between the central school and the supplier. Other schools within the cluster will have probably have an SLA with the central school (few schools have adopted this model, around 1%)

## **(F) Service delivered through a PFI arrangement**

- 23 This example sets out the contractual relationships that exist where the school is provided through a PFI (private finance initiative) arrangement. In this case the school meals will be provided as part of a whole range of services, including the provision of the school itself. Here the relationship is very much between the local authority and the PFI provider (this represents 1% of schools at the moment).

(\* The School Food Trust)



## Which contract do you have?

- 24 Local authorities and Government departments will always try to ensure that a contract is awarded on their own terms and conditions. Although a good contract protects both parties it makes commercial sense that the terms and conditions that support your position are in your favour; of course the supplier will try and achieve the same. Usually the result is a compromise and in large contracts they will always be the subject of negotiation prior to agreement. The negotiation should ensure that the contract contains no 'surprises' or onerous clauses that you didn't know about or didn't understand or that allows the supplier any 'get out' clauses if they are under-performing. If your school meals are delivered through the local authority you could reasonably expect that the terms and conditions of the contract are let on their terms and that they generally operate in your favour.
- 25 Sometimes this is not always so and you might find that you are operating under the supplier's terms and conditions. If that is the case, do you have a copy and do you understand them? If you do not have a copy then obtain a set as soon as you can and check out the details of the main terms and how they might effect your discussions with the supplier when trying to incorporate the new standards for school food. If you are in this situation then you may well be at a considerable disadvantage and your room for manoeuvre will be limited unless you plan well in advance and/or take some advice.
- 26 You should also have a copy of the specification and again, if you do not have one, obtain one. It is against these documents that you measure performance. If the supplier declines to give you copies of either of the documents then you must press your case forcefully and it should trigger some concerns that the supplier has taken up such a position. If the problem persists you should escalate the matter either through the supplier's management structure or by seeking advice, perhaps from your local authority.
- 27 Do not contemplate changing any aspect of your contract without access to all the relevant contractual documents. Make sure that you understand them and, where you do not understand, ask questions, challenge, seek clarification.

# Changing / amending your contract

- 28 The previous paragraphs are about basic terminology and contract relationships; we now start to address the reality of having to change contracts.

## Contract reviews

- 29 It would be unwise to commence any changes to the contract until the service delivery and contractor performance have been reviewed. You need to take stock of where you are in the life of the contract and you do this through a '**contract review**'. The contract review is a formal process whereby you meet with your supplier to review contractor performance by taking a detailed look at your contract, what is delivered, how it is being delivered, how much you pay for it, the quality, the quantity and adherence to the contract terms. Some contracts will have a formal review clause determining when the review process should take place; if so, make sure that you carry out the review. It will probably contain a number of performance measures that the supplier must achieve. Even if there is no formal process it is essential and very best practice that you monitor and review performance in all your contracts and you should do this on a regular basis. It is during your reviews that you can address areas of performance that are unsatisfactory. Remember that the contract and specification define and describe performance and these will form the basis of your supplier performance measures. If there are grounds for improvement you and your contractor must discuss them and ensure improvements are put in place. The revised performance should be formally reviewed at your next review meeting.
- 30 The frequency of a review will depend greatly on the nature of the contract, but in service contracts such as those under discussion in this paper, monthly meetings are probably the minimum. If the contract is new you may wish to meet with greater frequency or, if it is a mature contract running well, you may be able to relax the frequency. In any event make sure at the review meeting that you have a set agenda covering all the key points of service delivery; allocate action points, take minutes of the meeting and ensure that progress is being made against those points.
- 31 It is possible that there is no such clause in your contract; sadly this does happen and usually points to poor drafting. Nevertheless if you are not reviewing regularly start to do so and don't forget that your customers review performance each time they have a school meal.
- 32 An example of a contract review clause can be found in Appendix 4 (Item F7)
- 33 Contract reviews can produce a wealth of useful information and you might want to consider contacting other schools and local authorities to make comparisons on performance and/or service levels.

## Value for money and cost visibility

- 34 'Value for money' is a phrase that is used many times, but perhaps not always understood. There are many definitions of value for money, but the most generally quoted is: '...the optimum combination of whole life costs and quality' that meets the customer's requirement.
- 35 Let's take an example: you are unlikely to buy a pre-packed sandwich for £5 when your expectations are around £2 - £3. Your first reaction may be that it's 'too expensive' or you might think it's not good 'value for money'. There is a difference. You might think it is good value for money if you learn that it is a hand-made product; the filling is from an organic source selected that day; the filling is fresh that day and delivered to the preparation unit

by some form of courier. Even with this information you might conclude that it's too expensive for what you are prepared to pay. At least you are in possession of key information about the product that enables you to make a decision. Building on this example, you might then find a sandwich at £1, but at this price you might just begin to wonder why it is so cheap and you will, rightly, suspect that the quality is poorer and you might want to find out more.

- 36 Sadly the phrase is often associated with the 'cheapest' or 'lowest' price and in far too many cases a lot of effort is expended in achieving the cheapest price in the belief that it produces the best value for your money. Unless you know how the price is made up and have an understanding of what goes into putting a school meal in front of your customers you cannot make a relevant distinction between costs and quality.
- 37 In a service contract for the delivery of school meals many elements are required, some of which are listed here :
- cost of the equipment
  - cost of equipment maintenance
  - cost of equipment depreciation
  - staffing costs
  - supplier's profit
  - costs of waste
  - the cost of the food
  - cost of its delivery
  - storage costs
  - staff costs
  - sub-contractor costs (who will probably have a similar break down of cost elements themselves)
- 38 This list is illustrative and not meant to be exhaustive. You must have more information about the pricing structures to enable you to make informed decisions about what is on offer from your supplier, but why is it important for you to be aware of all this and what has it got to do with value for money?
- 39 It's been made clear within this Guide that you and your supplier are going to have to discuss and negotiate the introduction of new standards for school food. Once the supplier fully appreciates the change in scope they are likely to respond to the requirement with a request to increase the price, or change the service in some way, in order to maintain the current price. How can you know which is the right option? You must ask for price breakdowns if you do not already have them and be prepared to challenge the basis of individual costings. Once you are armed with this vital information you are in a better position to oblige your supplier to examine their cost base, with a view to offering you the best value for money deal. Your supplier may be reluctant to move on price, but at the least you can oblige them to evidence their prices and question them. Hopefully, in most cases, your supplier will be open to a request to reveal their pricing structures. Where there is common ground you can work together to achieve a mutually satisfactory commercial agreement and the relationship between you is likely to be rewarding and

mutually supportive. One important point to note is that if you are openly discussing prices there may be a contractual requirement for commercial confidentiality to be observed. This must be respected.

- 40 Where your supplier resists such an approach you have to ask yourself why this attitude is being taken and can anything be done about it? You have to drive forward for the best value for money that you can; you have finite finances and resources; the supplier wants to maximise their profit and whilst they are entitled to make a profit you would not want it to be exorbitant. This is a difficult area and this guide cannot hope to answer all your questions about these discussions and negotiations and the likely outcomes, but a few tips have been provided at Appendix 2 to help you on your way.

### **Types of contract and associated pricing models**

- 41 In the National Audit Office Report entitled 'Smarter food procurement in the public sector' (HC 963-1, published on 30 March 2006), a number of different types of catering contracts and associated pricing models have been identified. From the descriptions you should be able to identify for yourself the type of contract in which you, or your local authority are involved. You may not be able to do anything about the type of contract, but an appreciation of how it works and where you fit in, should help you with your discussions. They are reproduced at Appendix 5 for your information.

# What are your options for change?

- 42 It is most likely that your school meals are being delivered through one of the examples set out in paragraphs 17 – 23, and in Appendix 1 and you already have a contract or an SLA in place. Not everyone will be in the same position. There will be some local authorities or schools that will be in the process of preparing for a competition to find a new supplier; some will be in the process of discussing an extension for their current contract; some may be at a formal review point of the contract and are entering discussions about the service and /or price revisions. In practice, what this all means is that in order to introduce the new standards for school food you will probably have to enter into discussions with your existing supplier. The next part of this guidance will offer you some advice on how to go about it.
- 43 The most likely option open to you is to **vary** your existing contract to include the improved new standards into the specification. Although this guidance concentrates on the variation process, there are other contractual options open to you, but whichever option is the most suitable they are probably going to involve discussions and negotiations.
- 44 You may be in a position that enables you to **extend the contract**, as part of its natural life. In doing so you would have to agree the revisions necessary to incorporate the new standards for school food. You might be close to the end of a contract and therefore decide that it would be best to go out to competition for a **new contract**. The improved standards would form a part of the contract specification. You might even decide that the best strategy is to **terminate** the existing contract in order to start a new competition, but note that this is not easy and you should refer to paragraphs 56-60 for more information.

## Contract variation

- 45 Let's start with, perhaps, the most common scenario: you have a contract or an SLA within which are described the current standards to be delivered in school meals; new food based standards for school lunches have to be introduced by September 2006.
- 46 We talk about 'varying' a contract, and in broad terms, the legal process to record the change is relatively simple although the commercial discussions leading to the changes will probably be a lot more complicated. Most contracts will contain some type of clause on how variations to the contract will be carried out, sometimes called a change-control process. These can range from a schedule that sets out a 'change control' procedure to a simple clause stating how the variation will be carried out. If this process is described within the contract it is important that you follow it – failure to do so may invalidate the change or lead to misunderstandings and difficulties later on during the contract.
- 47 Once you have agreed the details of the variation, you should ensure that the details are properly recorded, the specification suitably amended and the contract is varied in accordance with the variation arrangements set out in the contract. If you do not already have established ways of doing this, an example variation document is attached at Appendix 6.
- 48 A variation document should be prepared and tailored to your circumstances and signed in accordance with the operating procedures that apply to your own organisation, usually by someone with the appropriate level of financial authority. It must be clearly tied in with the main contract reference. If there are multiple variations each should be sequentially numbered in order to avoid any confusion and to enable a clear audit trail to be established. Essentially this process re-defines the detail of the service and new standards for school food.

49 Before agreeing to any variations here are some points you should consider about your own position :

- is the change really necessary ?
  - unless your school meals are already delivered to the new standards for school food, almost certainly
- have all the discussions between the relevant parties been successfully concluded?
  - have you been able to identify all the relevant parties?
- have all the potential impacts and consequences of the variation been thoroughly thought through for both you and the supplier? Some potential areas are set out in the next section:

possible impact	
<ul style="list-style-type: none"><li>• financial impact</li><li>• impact upon the LA/DSO</li><li>• existing contractors</li><li>• kitchen equipment</li><li>• service areas</li><li>• menus</li><li>• preparation and delivery times</li></ul>	<ul style="list-style-type: none"><li>• lunch break periods</li><li>• training</li><li>• governors</li><li>• customers</li><li>• parents</li><li>• suppliers</li><li>• procurement rules</li></ul>

- have the full costs been determined
  - this is not just the increase (or decrease) in the cost of the school meals, but any additional costs that may derive from the change. There may be new investment decisions to consider; revised delegated funding; increases in staffing costs,

- has an implementation date been agreed?
- has an implementation plan been discussed and agreed?
- have all the relevant elements of the contract been identified for amendment?
- has the appropriate variation procedure been used and applied?

50 You should also consider your supplier's position and ask yourself :

- do they fully understand the variations that are being requested and why?
- will such an understanding have an impact upon their ability to deliver the service?
- are they committed to the change and for the right reasons?

- obviously revenue is the key driver for the supplier, but a commitment to the delivery of better school food, and the impact upon school pupils, should be beneficial in the longer term

- how have they been performing under the existing contract?

(see the paragraph on contract review and monitoring)

- what is the current relationship like?
  - fundamentally do you have a relationship that creates a suitable atmosphere for discussion?
- have you had to criticise and discuss any failures in performance with the supplier and what was their reaction?
  - were they responsive and did they correct the problems?
  - did they try and use the 'opportunity' to pressure you about the price?
  - did they present a number of excuses or were there justifiable reasons behind the failures?
  - is there a personnel problem that could be easily solved by change (this could occur on both sides of the contract)?
- do you want to continue working with them and could you do anything to improve matters?

Do not allow yourself to be persuaded to follow this course of action unless you are completely satisfied that the proposed changes reflect the new standards and that they are properly incorporated into the contract specification and contract. If you do formally agree and the specification and the contract details are not right then understand that you may have extended the contract for a further, legally-binding period. Any subsequent changes that are required to rectify further details (of which there may be many) will undoubtedly be difficult to achieve without discussion and negotiation, and your negotiating position will have been weakened as a result and you may have to face further changes in price.

- 51 You may find suppliers are keen to enter into discussions and may even offer discounts within the pricing structure to get you to agree to contract extensions. Superficially this may appear attractive, but you need to ask yourself (and the supplier) why a discount is being offered and where the cost reductions are made, hence the vital requirement to get real visibility of costs. Remind yourself of some of the areas that the supplier may have targeted; you might find, as an example, revised delivery times are to be introduced. You might decide that this inconveniences you or the delivery of other school services and you should consider whether or not this offers you best value for money (as described in paragraphs 34-40). If it doesn't, reject the offer because it will probably cost you more in the long run. Sadly, if you are new to all of this and, even if you are not, it can get more and more complicated and time-consuming when you probably have many other duties to carry out, but whatever the pressures do not allow yourself to be pushed into signing anything and committing yourself to a long-term arrangement unless you really understand the consequences of what you are doing.

## **Contract extensions**

- 52 The previous paragraph described contract variations; in this paragraph we have to address circumstances where your existing contract is at that point in its life cycle when you have a formal opportunity to extend it for a given period. Many contracts are put in place for a period of years and in the case of school meals, this is likely to be for between three and five years. Contracts of this length often contain a specific clause enabling the contract to be extended for a further period, perhaps another year or two. Usually contracts are extended because the service is being delivered effectively and according to the specifications and both you and your supplier are content to continue that service. This can have significant benefits for both parties, particularly the continuity of a good service and savings in time and cost of not having to enter into a re-competition process.



This is known as an extension of contract '*on the existing terms and conditions*' and that means exactly what it says: all the details of the contract remain the same and prices will remain the same (unless there is a specific contract clause that allows for a price change as part of the normal life of the contract). All things being equal this is a simple process and the contract will set out precisely the steps necessary to achieve it. But you need to be aware that extending a contract for longer than a year or two could result in criticism for being anti-competitive or possible that the contract no longer represents value for money.

- 53 However, given the current climate and the introduction of new standards for school food, it is unlikely that you will be able to extend a contract without any changes, so if you are in this position of considering an extension, this is a really good opportunity to incorporate variations (as described in paragraphs 45 - 51) at the same time. In this case although you are extending the contract it will *not be on the existing terms and conditions* because in changing the specification to include revised standards the contractor may have to revise the service delivery in some way and may seek an increase in prices. This will require negotiations and discussions, but the contractor will probably be keen to continue with the service so you may have a negotiating advantage.
- 54 You also need to be aware that any significant extensions or changes to the contract could result in a contract that is very different from the one originally put out to competition, which could result in a possible challenge under the procurement rules. If you are put under any pressure or you are in any doubt do take professional advice.
- 55 One final point is worth making at this stage: it is when you are faced with a decision of this nature that contract reviews (described in paragraphs 29-33) are so important. Do not agree to a variation or any extension under any circumstances unless you completely satisfied with your supplier's performance.

### **Terminating the contract and initiating action for a new one**

- 56 Most contracts contain specific clauses that enable the contract to be terminated. It is usually for poor performance and should be an action of last resort. It's worth observing that if you are considering termination then the relationship between yourself and supplier has probably broken down and all remedies to improve the situation have failed (again contract review should alert you to problems emerging long before they become critical). Termination is a complicated process and you should seek advice and professional assistance.
- 57 Outside of such an extreme scenario the contract might contain a general clause for termination, without any reason, often giving three months notice. This clause is included to recognise that sometimes circumstances change so much that the contract is no longer required. Termination under this heading would usually require payments to be made to the supplier to compensate them for their reasonable costs incurred up to the termination date. Again such an action should be carried out with professional assistance.
- 58 You might consider action under this heading if you believe that it makes sense to dispense with the old contract in order to introduce a new contract altogether containing the new standards for school food and perhaps other improvements that you have identified over the life of the service. You may have found that the changes are so major that they could not reasonably be incorporated into a variation or extension. Before you take such action you would need to be sure that it made sense strategically and financially; this is not a simple decision and requires a considerable amount of planning before you take any action.
- 59 It is conceivable that a supplier will want to terminate the contract, perhaps because they cannot meet the new standards or that they do not want to. They may simply want to get out of the contract because the relationship is poor or they are losing money, or they are



no longer interested in this business. In this case, as well as finding a new supplier, you are going to have to try and maintain the continuity of service and you will probably need the co-operation of your existing supplier to do so. Discussions under these circumstances are likely to be particularly difficult.

- 60 It is possible that your contract does not contain any termination clause. If this is the case and either you or the supplier is pressing for termination then you really must seek legal advice because without the clause the contract must continue to its natural end or be terminated by mutual agreement.

Do seek advice.

### **A new contract**

- 61 A new contract is usually achieved through a carefully controlled competition process. It can be a complicated business and should only be undertaken if you have appropriate knowledge and experience and/or professional support. Nevertheless, the procurement procedures are an essential part of the whole process and can represent an ideal opportunity to test the market's response against your new school food specification.

### **Changing your service provider**

- 62 As well as changes to your contract to reflect the new standards for school food you might want to change your service provider in any event. For instance, your school meals maybe delivered through a contract let by your local authority and you would rather take control of the service by establishing your own contract with a supplier. You may be unhappy about the current level of service you are receiving or might think that a 'fresh start' could facilitate major improvements; you might want additions to the service that better suit you and your particular circumstances. Whatever your position it is not an unreasonable assumption that before you reach such a decision you would have discussed your dissatisfaction with your service provider, hopefully through the contract review process. When doing this think about :
- liaising with your existing supplier to discuss and record formally your problems, with a view to
  - trying to resolve the differences and reaching a mutually-agreed conclusion
  - if it is not possible examine your options for change and the details of the suppliers' contract to identify whether or not you can source the service elsewhere. You may find that your existing contract 'ties' you into the supplier for a given period and that 'breaking' it would cost considerable money
  - taking legal advice on the structure of the service and associated contract details if you have been able to source an alternative supplier and want to use them.
- 63 Do not do this on your own unless you have access to professional skills, but if you do elect to make changes, try and take into account the relevant parts of this Guide, which hopefully will provide you with important cues to reference during this complicated process.

## What to do after the agreement

64 In paragraphs 42-60 the contract change processes have been described. However, once agreement has been made and the appropriate documentation completed make sure that copies of the agreement and/or changes are attached to your copy of the contract so there can be no disputes at a later date. (Refer again to the example at Appendix 6).

65 It's already been pointed out that it is important to follow the processes set out within your contract. If your contract does not stipulate any process then, at the least, you need to ensure that you :

- reach a mutually-acceptable agreement
- set out the terms of that agreement clearly and concisely
- send a formal communication to your supplier, clearly stating the terms of the agreement
- request your supplier to confirm in writing acceptance of the revised agreement
- ensure that your contract reflects what has been agreed
- ensure that the specification reflects the change
- ensure all relevant aspects of the contract are amended
- ensure that all correspondence relating to the change is attached to the original contract documents
- if you are operating under the supplier's contract terms and conditions make sure that all this documentation is made available to you and
- demand the relevant paperwork if it is not forthcoming and check it thoroughly before agreeing to, or signing, anything.

# Helping each other

## Groupings / clusters

- 66 There may be commercial advantages in acting together. You maybe one of a number of schools receiving a service from the same supplier, but are you able to liaise together and deal with the supplier with one voice? Many of you will meet as a group to discuss financial matters, but perhaps you should also meet formally to discuss supplier performance. If you can't do that then make sure the item is on the financial meeting agenda. Your experiences will be different. It is important to learn from each other and apply the lessons learned and/or experience gained to your own service. Your supplier is more likely to take notice if they have to deal with a number of their customers. This might also be a point to bear in mind when you are discussing contractual variations and where they might lead you. If you achieve a good deal ensure that your colleagues hear about it. If you think you want to take this route have a look at the following website for more advice and guidance : [www.standards.dfes.gov.uk/sie/si/eips/](http://www.standards.dfes.gov.uk/sie/si/eips/)

## Good contract examples

- 67 If you are one of a number of schools receiving a service being delivered under the specific supplier's contract you'll probably find that the terms and conditions are very similar for all of you. In addition to terms and conditions almost all contracts will contain various schedules that describe particular aspects of the service. These need to be examined. The most obvious area to explore is pricing. Are you paying a different price for a similar service? Are you paying more than your neighbour for the food? There could be any number of variations and you might find that the simple expedient of comparing contracts could be very revealing and provide you with powerful bargaining positions.
- 68 Even if you are not in a grouping or cluster, seek out an opportunity to meet with colleagues for mutual discussions; or you might even choose to be the instigator of a forum for formal exchanges of views. Some already exist: Local Authority Catering Association; regional co-ordinators on the Local Healthy School Programmes website: [www.lhsp.org](http://www.lhsp.org); National Bursars Association [www.nba.org.uk](http://www.nba.org.uk); the Association for Public Services Excellence (APSE) [www.apse.org.uk](http://www.apse.org.uk)
- 69 If the contract that you are using is a good example bring it to your colleagues' attention so that parts of it might be incorporated into a standard set of contracts that could be made available to all schools. Conversely bad contracts should also be shared.

## Taking advice

- 70 Some of you may feel that you do not need advice and that is OK as long as you have sufficient experience around contracts and contract law, specifications and all the issues that ensue from a commercial contract to know what you are doing. If you have any doubts remember that a contract is a legally-enforceable document and the last thing that you want is to end up in a dispute with your supplier and appear in a court. Do take advice from your local authority procurement staff and legal services, if that is appropriate; or if you are the prime contractor you may decide to buy in legal and catering advice and that can be expensive. You mind find others in a similar situation and you could then consider pooling your financial resources to buy in suitable expertise. Perhaps another alternative is to 'pool' legal resources to which you have access for the common good. You may have staff that have legal knowledge; there may be legal experience among your Governors; parents may be able to help. Additionally you may have substantial experience of running a contract service and imparting the benefits of that experience to others is invaluable. Think about it.

# Public procurement rules

71 Finally a word about public sector procurement rules. The following is an extract from the 'EU Procurement Guidance', published by the Office of Government Commerce :

'The European Union (EU) procurement Directives, and the Regulations that implement them in the UK, set out the law on public procurement. Their purpose is to open up the public procurement market and to ensure the free movement of goods and services within the EU.

The rules apply to purchases by public bodies and certain utilities which are above set monetary thresholds. They cover all EU member states and, as a result of international agreements, their benefits also extend to a number of other countries worldwide.

Where the Regulations apply, contracts must be advertised in the Official Journal of the EU (OJEU) and there are detailed rules that must be followed. The rules are enforced through the courts, including the European Court of Justice.'

72 It is essential you understand that the law applies to all contracts awarded by public service bodies, the estimated value of which, over the life of the contract, is above defined financial thresholds. The current threshold figure for goods and services is £144,371.

73 Paragraph 4 of that document, under the heading of 'Purpose', states :

'The purpose of the rules is to open up the public procurement market and to ensure the free movement of goods and services within the EU. In most cases they require competition. The EU rules reflect and reinforce the value for money focus of the government's procurement policy. This requires that all public procurement must be based upon VFM...which should be achieved through competition, unless there are compelling reasons to the contrary.'

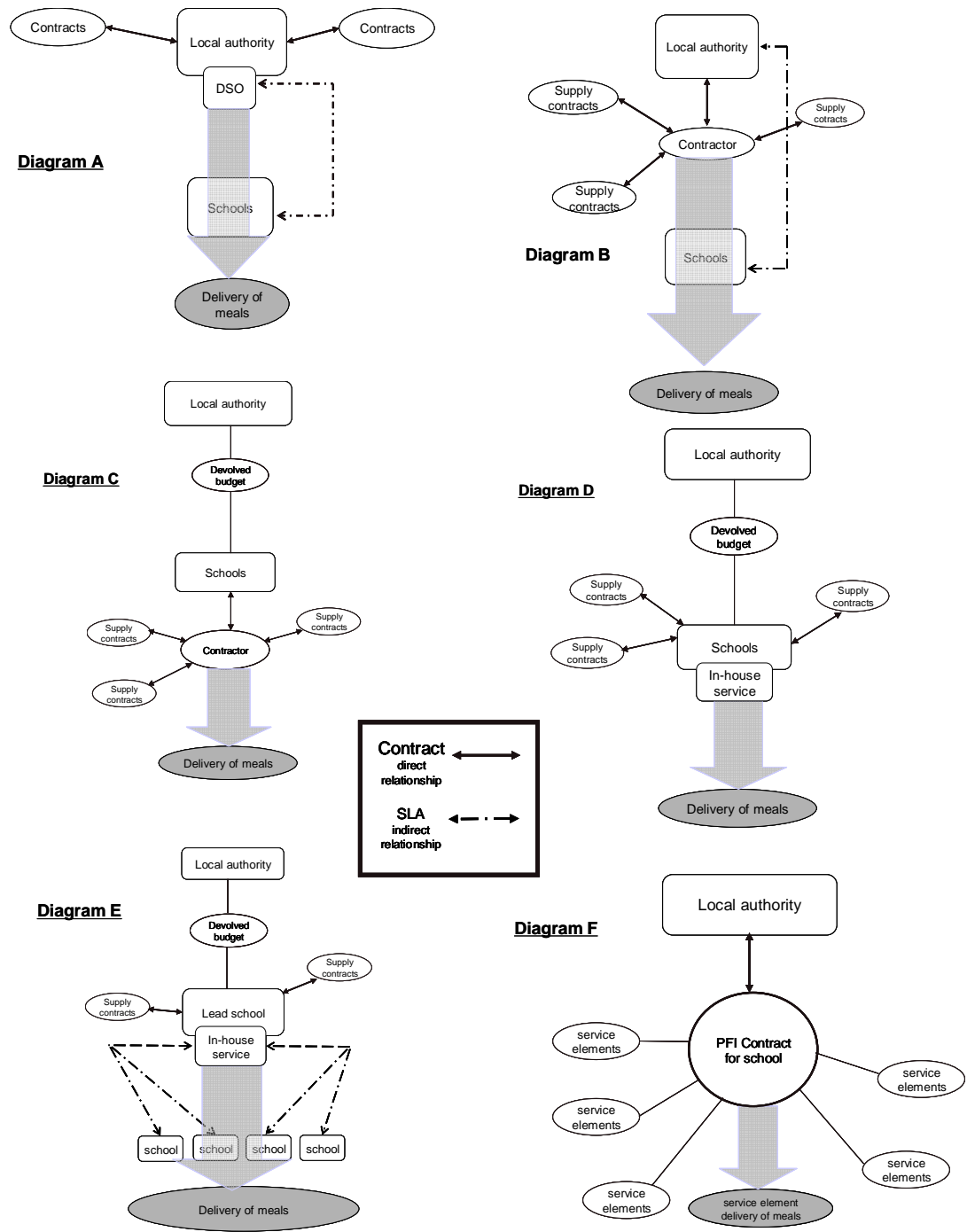
74 This is not an attempt to complicate issues, but public procurement must be carried out according to UK law and you need to be aware of this requirement and seek help from legal and procurement advisors who can explain the principles and implications of the legislation. You will also notice the reference to 'value for money' in the above quotation, which was covered in paragraphs 34-40; note that the concept is enshrined in public procurement law.

75 There are a number of different internet links relating to the Public Procurement rules : perhaps the best starting point is the Office of Government Commerce website [www.ogc.gov.uk](http://www.ogc.gov.uk); once you have entered this site click on the black drop down menu entitled 'Policy' at the top of the page. The latest regulations are set out in 'The Public Contracts Regulations 2006'.

# List of appendices

## Appendix 1 – Contract relationship diagrams

Appendix 1



## Appendix 2 - Negotiation

Contract negotiation requires particular skills and a lot of preparation if you are going to be successful. It is not about 'pinning down' the supplier; it is about reaching a mutually-satisfactory agreement that provides both parties with a measure of what they want. If you view the process as a confrontation then you are unlikely to achieve anything other than confrontation. Many people believe that they can negotiate and often quote their success at the local electrical store as evidence. In the scenario that this document refers to we are talking about a complicated service delivery, with a variety of variables, a contract, a specification that must be followed and all within the public eye. If you can't do it, don't start here – take advice and support.

If you do have the necessary skills and experience then here are a few points that you might take into account during the process and there are some simple things that you should do to prepare yourself, although you may already be aware of many of the suggestions below:

- Be well aware of your strengths and weaknesses
- Prepare well
- Understand what you want to achieve
- Have a plan and know how you want to use it
- Know your limits – the 'bottom line'
- Be sure about what you are prepared to concede to the supplier and again 'know your limits' when trading them
- Understand how behaviour and attitudes can positively or negatively affect negotiations success
  - you will probably know the people with whom you are negotiating; use this knowledge to your advantage
- Consider how you might use persuasive behaviour and techniques
- Watch the body language. It is important in a negotiation and enables you to recognise the impact and power of non-verbal communication.
- Focus on terminology and use of language in the opening stages of a negotiation and develop skills in opening negotiation through practical experience.
- Consider previous and current positions in a negotiation and assess how negotiators may move their position.
- If you trade concessions, trade them for concessions in return
- Understand the importance and impact that a sound finish to a negotiation can have; you may want to practice such finishes in a role-play situation.
- Examine the use of questioning techniques to gather information within negotiation; develop questioning techniques by practical application.
- Develop the skills of listening in negotiation and demonstrate the characteristics of effective listening through behavioural traits.

## Appendix 3 - Points to look for in a specification

- Use simple language, avoid using jargon;
- Terms should be clearly defined as should any symbols and acronyms – know what you're talking about;
- A specification should be written in terms that you can all understand;
- It should be logically structured;
- It should be as concise as possible, but the meaning kept clear;
- Ensure it meets your needs;
- The most important elements of the requirement should be set out first
- The requirement specification should be set out completely, clearly, concisely, logically and unambiguously;
- Avoid over-specification of the requirements – it should be 'fit for the purpose', describing exactly what you want

## Appendix 4 - Example of a variation contract clause, and other clauses

Under this heading you will find examples of contract clauses mentioned in this document, including variations. If you would like to view the complete document visit the OGC website: [www.ogc.gov.uk/sdtoolkit/reference/documentation/p51\\_draftcontr.html](http://www.ogc.gov.uk/sdtoolkit/reference/documentation/p51_draftcontr.html)

### **F3 Variation of the Services**

- F3.1 The Client reserves the right on giving reasonable written notice from time to time to require changes to the Services (whether by way of the removal of Services, the addition of new Services, or increasing or decreasing the Services or specifying the order in which the Services are to be performed or the locations where the Services are to be provided) for any reasons whatsoever. Such a change is hereinafter called “a Variation”.
- F3.2 Any such Variation shall be communicated in writing by the Contract Manager to the Contractor’s Representative in accordance with the notice provisions of Condition A7. All Variations shall be in the form of an addendum to the Contract.
- F3.3 In the event of a Variation the Contract Price may also be varied. Such Variation in the Contract Price shall be calculated by the Client and agreed in writing with the Contractor and shall be such amount as properly and fairly reflects the nature and extent of the Variation in all the circumstances. Failing agreement the matter shall be determined by negotiation or mediation in accordance with the provisions of Condition I2.
- F3.4 The Contractor shall provide such information as may be reasonably required to enable such varied price to be calculated.

### **F5 Remedies in the event of inadequate performance**

- F5.1 Where a complaint is received about the standard of Services or about the way any Services have been delivered or work has been performed or about the materials or procedures used or about any other matter connected with the performance of this Contract, then the Contract Manager shall take all reasonable steps to ascertain whether the complaint is valid. If the Contract Manager so decides, he may uphold the complaint, or take further action in accordance with the provisions of Condition H2 of this Contract.
- F5.2 In the event that the Client is of the opinion that there has been a material breach of this Contract by the Contractor, or the Contractor’s performance of its duties under the Contract has failed to meet the requirements, then the Client may, without prejudice to its rights under Condition H2 of the Contract, do any of the following:
- (a) make such deduction from the payment to be made to the Contractor as the Client shall reasonably determine to reflect sums paid or sums which would otherwise be payable in respect of such of the Services as the Contractor shall have failed to provide;



- (b) without terminating the Contract, itself provide or procure the provision of part of the Services until such time as the Contractor shall have demonstrated to the reasonable satisfaction of the Client that the Contractor will once more be able to perform such part of the Services in accordance with the Contract;
- (c) without terminating the whole of the Contract, terminate the Contract in respect of part of the Services only (whereupon a corresponding reduction in the Contract Price shall be made) and thereafter itself provide or procure a third party to provide such part of the Services; and/or
- (d) terminate, in accordance with Condition H2, the whole of the Contract.

F5.3 The Client may charge to the Contractor any cost reasonably incurred by the Client and any reasonable administration costs in respect of the provision of any part of the Services by the Client or by a third party to the extent that such costs exceed the payment which would otherwise have been payable to the Contractor for such part of the Services.

F5.4 If the Contractor fails to perform any of the Services to the reasonable satisfaction of the Client and such failure is capable of remedy, then the Client shall instruct the Contractor to perform the work and the Contractor shall at its own cost and expense remedy such failure (and any damage resulting from such failure) within 14 days or such other period of time as the Client may direct.

F5.5. In the event that:

- (a) the Contractor fails to comply with Clause F5.4 above; or
- (b) the Contractor persistently fails to comply with Clause F5.4 above, and such failures, taken as a whole, are materially adverse to the commercial interests of the Client;

the Client reserves the right to terminate the Contract by notice in writing with immediate effect.

F5.6 The remedies of the Client under this Condition may be exercised successively in respect of any one or more failures by the Contractor.

## **F7 Monitoring of Contract Performance**

F7.1 The Contractor shall comply with the monitoring arrangements set out in Monitoring Schedule including, but not limited to, providing such data and information as the Contractor may be required to produce under this Contract.

## **F8 Possible Extension of Contract Period**

- F8.1 Subject to satisfactory performance by the Contractor during the Contract Period, the Client may wish to extend the Contract for a further period of up to [ ] year(s). The Client may approach the Contractor if it wishes to do so before the end of the Contract Period. The Conditions in this Contract will apply throughout any such extended period.

## **H2 Termination on Default**

- H2.1 The Client may terminate the Contract, or terminate the provision of any part of the Contract by written notice to the Contractor or the Contractor's Representative with immediate effect if the Contractor commits a Default and if:

- (a) the Contractor has not remedied the Default to the satisfaction of the Client within 30 days, or such other period as may be specified by the Client, after issue of a written notice specifying the Default and requesting it to be remedied; or
- (b) the Default is not capable of remedy; or
- (c) the Default is a fundamental breach of the Contract.

- H2.2 In the event that through any Default of the Contractor, data transmitted or processed in connection with the Contract is either lost or sufficiently degraded as to be unusable, the Contractor shall be liable for the cost of reconstitution of that data and shall provide a full credit in respect of any charge levied for its transmission.

- H2.3 The Contractor may terminate this Contract if the Client is in material breach of its obligations to pay undisputed charges by giving the Client 90 days notice specifying the breach and requiring its remedy. The Contractor's right of termination under this Clause H2.3 shall not apply to non payment of the charges where such non payment is due to the Client exercising its rights under Clause C

## **H3 Break**

- H3.1 The Client shall have the right to terminate the Contract, or to terminate the provision of any part of the Contract at any time by giving three Months' written notice to the Contractor. The Client may extend the period of notice at any time before it expires.

## Appendix 5 - Types of contract and associated pricing models

- 76 **Cost-Plus (or Management Fee):** The cost of the service plus a fixed rate of profit (management fee).which represents their earnings from the contract One of the issues with this type of arrangement is that there is less incentive for caterers to control their costs, since clients are billed for them, whatever the case.
- 77 **Performance Guarantee:** Similar to cost-plus, but the contractor's management fee is linked to their performance across an agreed range of criteria. As a minimum, this usually includes the level of gross profit on sales, employment costs and other overheads. The client can also require an "open book" policy, which means that all revenues generated through the service and costs incurred as a result of providing those services, including the procurement of food and beverages, are open to inspection by the client or their agent. In recent years, as clients have become more aware of catering services and how contractors work, this has become an increasingly popular type of contract.
- 78 **Fixed cost:** A single agreed annual cost, which cannot change even if the contractor is faced with increase in their own costs The advantage for clients is that they are able to impose and remain within a definite budget. However, there can be many complications when circumstances change, such as changes to the number of personnel on site. The catering firm will often make more profit than the client had originally foreseen, and which the client is unable to benefit from; alternatively, if it becomes less profitable than the catering firm envisaged, they may attempt to reduce the quality of their service in order to break even.
- 79 **'Semi-Fixed cost:** An agreed range of catering services are supplied to the client at an agreed inclusive cost, ultimately at the contractor's risk. Any additional services supplied outside of the original range will trigger additional costs.. This style of contract became popular after cost-plus became less fashionable, especially in the public sector with bodies imposing strict budgets that they could not exceed. One of the issues with this arrangement is that charges for hospitality and "free issues" can potentially be inflated by the catering firm.
- 80 **Nil Subsidy:** The cost of the service has to be covered by the income (ie the meal prices) This is often associated with high selling prices to staff and/or high volumes of hospitality. Where a client organisation provides the catering space and utilities free of charge it is often overlooked that this represents a hidden subsidy.
- 81 **Concession/Franchise:** The caterer pays a fixed rental, or gives a percentage of turnover to the client, in return for the use of the client's premises.

(Source: Research conducted by Merritt-Harrison Catering Consultancy on behalf of the National Audit Office)

# Appendix 6 - Example of a contract variation documents

(source DfES)

THIS AGREEMENT is made on [insert in manuscript the date this Agreement is signed]

BETWEEN:-

[INSERT NAME AND ADDRESS OF THE CONTRACTING AUTHORITY] ("the Authority"); and

[INSERT COMPANY NAME] (No: [insert registered number]) whose registered office is situated at [insert the full registered office address] ("[Contractor]").

[OR]

[INSERT INDIVIDUAL'S NAME], a partner in the partnership of [insert name of the partnership] of [insert the full address] ("[Contractor]").

[OR]

[INSERT INDIVIDUAL'S NAME], trading as [insert the trading name] of [insert the full address] ("[Contractor]").

[Note: Choose the appropriate paragraph 2 from those above and then delete the others. The contracting party details should reflect those in the original contract that is being varied.]

RECITALS:-

The Authority and the Contractor entered into a [insert type of original contract e.g. Contract for the Provision of Services] dated [insert date of original contract] with the Authority's reference number of [insert the unique reference number of the Original contract] ("Original Contract") for the purposes of [insert brief details of purpose of original contract e.g. supply of catering services].

The Authority and the Contractor have agreed to vary the terms of the Original Contract as set out in this Agreement.

The Authority's reference number for this Variation Agreement is [insert the variation number e.g. 01, 02, 03 etc.].

IT IS AGREED as follows:-

## **Consideration**

In consideration of each of the parties entering into this Agreement (such consideration being agreed by the parties to be good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged and agreed), the parties have agreed to vary the Original Contract in accordance with Clause [insert clause number relating to variation of agreement in Original Contract].

## **Variation of the Original Contract**

The parties agree with effect from the date of this Agreement the Original Contract shall be varied as set out in ..... attached.

Subject to the variations set out in ... the Original Contract shall continue in full force and effect in all respects.

In addition to the amendments set out in ... the Original Contract shall be construed and interpreted with such further consequential amendments as are necessary to give effect to the amendments set out in ... of this Agreement, as if such further amendments were also expressly set out in ....

Except as provided in Clause XX and..., the parties agree that no other liabilities, financial or otherwise, shall accrue to the Authority because of this Variation Agreement.

### ***Severability***

The provisions of this Agreement are intended by the parties to be severable in the event that any part of it is held to be illegal or unenforceable (in whole or in part) and such part shall not affect the validity and enforceability of the remaining provisions or the remainder of the affected provision under this Agreement.

### ***Authority and Costs***

Each party undertakes that it has full power and authority to enter into and shall be responsible for its own costs arising in relation to this Agreement.

### ***The Contracts (Rights of third Parties) Act 1999***

Subject to Clause XX below, this Agreement is not intended to create any benefit, claim or rights of any kind whatsoever enforceable by any person who is not a party to this Agreement. Accordingly, the parties confirm that no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

### ***Governing Law and Jurisdiction***

The parties agree that this Agreement and any dispute arising under or in any way connected with the subject matter of this Agreement (whether of a contractual or tortious nature or otherwise) shall be governed by and construed in accordance with the laws of England, and the parties submit to the jurisdiction of the English Courts.

EXECUTED by the parties on the first date in this Agreement.

Authorised to sign for and on behalf of the  
[Insert name of the Authority]

Signature

Date

Name in Capitals

Address in full

Authorised to sign for and on behalf of the  
\*\*\*insert name of the Contractor \*\*\*

Signature

Date

Name in Capitals

Address in full

### ***Variations to Original Contract***

All references to Clauses in this .. are to Clauses in the Original Contract.

[Clause [insert clause number from the Original Contract] shall be amended to include the following definitions:]

[insert new definitions]

[Clause [insert clause number from the Original Contract] shall be amended in its entirety to read:]

[insert the whole of the new clause]

[Clause [insert clause number from the Original Contract] shall be deleted in its entirety.]

[Note: When drafting the actual variations to the Original Contract you should refer to the clause number in the Original Contract. There are three main ways to vary the clauses, examples of which are given above. These are (1) including additional wording, (2) including an entirely new clause and (3) deleting a clause. The above can be repeated for as many clauses as need to be varied. It is important to specify if a clause comes from a Schedule in the Original Contract. If the variation affects the funding, remember to include revised financial details.]

## Appendix 7 - Weblinks

Listed below are some useful **web links** where a variety of advice is available on **school food issues**:

### Information on National Nutritional Standards:

- [www.teachernet.gov.uk/wholeschool/healthyliving/](http://www.teachernet.gov.uk/wholeschool/healthyliving/)  
Information on the new standards for school food announced on 19 May 2006

[www.cwt.org.uk/publications](http://www.cwt.org.uk/publications)

T The Caroline Walker Trust guidelines

- [www.nutrition.org.uk](http://www.nutrition.org.uk)  
The British Nutrition Foundation

### General weblinks including a variety of advice and information on school food issues:

- [www.publications.teachernet.gov.uk](http://www.publications.teachernet.gov.uk)  
DfES' Healthy Living Blueprint for Schools', published in September 2004.  
The National Healthy School Programme (a joint DfES and Department of Health programme) is working with over 14,000 schools to develop a whole school approach to health
- [www.foodinschools.org/fis\\_toolkit.php](http://www.foodinschools.org/fis_toolkit.php)  
  
A guide on establishing a Whole School Food Policy is included in the Food in Schools Toolkit to help you develop, implement and monitor your own food and drink policy. An interactive audit tool is also available to assist you.
- [www.food.gov.uk/multimedia/pdfs/secondaryschoolmeals.pdf](http://www.food.gov.uk/multimedia/pdfs/secondaryschoolmeals.pdf)  
'School Meals in Secondary Schools in England' Survey (Food Standards Agency /DfES (2004))
- [www.everychildmatters.gov.uk](http://www.everychildmatters.gov.uk)  
'Every Child Matters: Change for Children' was published in December 2004
- [www.dh.gov.uk](http://www.dh.gov.uk)  
Follow the link from the home page to 'policy and guidance', then click on 'Policy and guidance A – Z' on the left of the page and select the Public Health White Paper, "Choosing Health"
- [www.ngc.org.uk](http://www.ngc.org.uk)  
  
National Governors' Council has published 'Food Policy In Schools - A strategic policy framework for governing bodies', which specifically addresses the issues for governors in policy development.

- [www.nba.org.uk](http://www.nba.org.uk)  
National Bursars Association

- [www.healthedtrust.com](http://www.healthedtrust.com)

This site provides more information on involving all the right people in the School Nutrition Action Groups,

School Nutrition Action Groups (SNAG) are school based alliances in which staff, pupils and caterers, supported by health and education professionals, work together to review and expand the range of food and drink to increase the uptake of a healthier diet and ensure consistent messages from the curriculum and the food service.

Despite the complexities, there are now many schools that have successfully set up their own service or have always had an in-house service. Research also indicates an increasing number of schools intending to go down this path.

#### **The following links provide some interesting case studies:**

- [www.teachernet.gov.uk/casestudies](http://www.teachernet.gov.uk/casestudies)
- [www.defra.gov.uk/farm/sustain/procurement/index.htm](http://www.defra.gov.uk/farm/sustain/procurement/index.htm)  
(follow the link to 'case studies' to access case studies and for advice on producing your own case study')

- [www.standards.dfes.gov.uk/sie/si/eips/](http://www.standards.dfes.gov.uk/sie/si/eips/)

There are many benefits of collaborating with other local schools to make the best use of resources. Often supported by the local authority, these networks can take the form of action zones, clusters and federations. The DfES launched a prospectus for Education Improvement Partnerships which builds on the concept of schools clusters.

#### **Guidance on issues concerning sustainability**

- [www.defra.gov.uk/farm/sustain/procurement/pdf/foodprocure.pdf](http://www.defra.gov.uk/farm/sustain/procurement/pdf/foodprocure.pdf)  
Here you will find the 'Public Sector Food Procurement Initiative: Guidance for buyers and their internal customers' and a series of '**frequently asked questions**' links are embedded within the document.
- [www.foodlinks-uk.org](http://www.foodlinks-uk.org)  
Food Links are a network of some 18 organisations active in supporting the local food sector and working towards fairer, healthier more sustainable local food systems. A number, including East Anglia Food Link have been particularly active in school food.

<http://www.sd-commission.org.uk/publications.php?id=289>

Double dividend a report produced by the Sustainable Consumption Round table which tackles the issues surrounding promoting good nutrition and sustainable consumption through healthy school food

- [www.defra.gov.uk/farm/sustain/procurement/pdf/toolkit-procurement.pdf](http://www.defra.gov.uk/farm/sustain/procurement/pdf/toolkit-procurement.pdf)



Defra's Catering Service and Food Procurement Toolkit - a comprehensive guide at

- [www.defra.gov.uk/farm/sustain/procurement/pdf/diy-guide.pdf](http://www.defra.gov.uk/farm/sustain/procurement/pdf/diy-guide.pdf)  
The guide "Providing meals in primary schools", produced by East Anglia Food Link and adapted by Defra is particularly useful to use if you choose this option
- [www.defra.gov.uk/FARM/sustain/procurement](http://www.defra.gov.uk/FARM/sustain/procurement)  
The Regional Centres of Excellence may also be a source of advice. Each of the nine regions has their own website. The above link is an effective method of identifying them. Click on 'Regions' in the left-hand panel and then access the relevant website.
- [www.soilassociation.org](http://www.soilassociation.org)  
The Soil Association provides a wealth of experience and support for those seeking to explore issues relating to organic or locally sourced foods in particular.

### **NAO reports on associated issues**

National Audit Office: Smarter food procurement in the public sector: Case Studies - Includes a case study on school food, HC 963-II 2005-2006, 30 March 2006 (available at [www.nao.org.uk](http://www.nao.org.uk))

National Audit Office: Improving Procurement: Progress by the Office of Government Commerce in improving departments' capability to procure cost effectively, HC 361-1, (available at [www.nao.gsi.gov.uk](http://www.nao.gsi.gov.uk))

### **Guidance on efficient procurement**

Office of Government Commerce: Procurement Policy and EU rules, available at <http://www.ogc.gov.uk/index.asp?id=1000084>

Office of Government Commerce: Guidance on e-auctions, available at <http://www.ogc.gov.uk/index.asp?id=1003090>

Office of Government Commerce: A range of guidance available on issues such as aggregation, partnership and over-reliance on one supplier is available at <http://www.ogc.gov.uk/index.asp?id=1002172>