

Investigation into the free school meals voucher scheme.

To: All Chief Executives, Main Contacts and APSE Contacts in England,

For information: Scotland, Wales and Northern Ireland

Key Point

On 2 December 2020, the National Audit Office produced a report into the Free School Meal Voucher scheme that outlined the findings from their investigation.

1.0 Background

State schools are required to provide free school meals to eligible pupils. The National Audit Office (NAO) reports that as of January 2020, there were 1.44 million eligible children in England.

On 18 March 2020, the government announced that, in response to the COVID-19 pandemic, schools in England would close on 20 March 2020 for all pupils except vulnerable children and children of key workers. For the period that schools were closed schools were expected to continue to provide free meals during term time to pupils eligible.

On 31 March 2020, the Department for Education (DfE) announced a national free school meals voucher scheme, as a temporary substitute for the normal arrangements. Details of the scheme were outlined in [APSE Briefing 20-25 – COVID-19 Free School Meal Guidance](#)

A contract to administer the voucher scheme was awarded to a private contractor, Edenred (UK Group) Ltd (Edenred). Schools had a choice whether to use the scheme or to make local arrangements.

The report by the NAO covers the following: -

- ... Part one - eligibility for free school meals
- ... Part two - the voucher scheme's design and procurement
- ... Part three - performance
- ... Part four - costs

The briefing provides a summary of the key findings from the report. A full version of the document can be accessed via the following link: -

[Investigation into the free school meals voucher scheme](#)

2.0 Scheme design and procurement

The report states that the DfE set up the voucher scheme in 18 days in March 2020 and that the DfE considered that it would be best for schools to support children eligible for free school meals who were not attending school, by using their catering providers to supply meals or food parcels directly to families.

At the time other options for providing support were also considered, including an uplift to benefits or giving local authorities or schools money to distribute directly to eligible families. Following consideration of the options, it was concluded that a national electronic voucher scheme was the only secure, viable, and cost-effective solution that it could lead and put in place quickly.

The DfE appointed Edenred (UK Group) Ltd (Edenred) to run the scheme, using an existing government framework contract. Edenred was awarded an initial contract on 28 March 2020, which was extended twice.

3.0 Investigation into the free school meals voucher scheme

The NAO report that the DfE recognised that the choice of supplier, speed of implementation, and uncertainty about likely take-up of the scheme created risks. The report acknowledges that there was uncertainty about how many schools would register to use the scheme, and estimated that take-up could be anywhere between 50% and 100% of schools.

In its contract award letter to Edenred, the DfE said that it would provide registration details for more than 20,000 schools, equivalent to potentially 100% take-up, but it had limited evidence of Edenred's capacity to deliver the scheme to this scale and the required pace.

The DfE informed the NAO that it confirmed with the Crown Commercial Service that no issues had been raised about Edenred's prior performance as a government supplier. The economic and financial assessment concluded that Edenred's UK business did not have the financial standing that would normally be required for a contract of this value and in normal circumstances would have asked for a parent company guarantee. However, it judged that this would not be possible in the time available.

4.0 Scheme performance

The report confirms that over 90% of state schools registered to use the scheme. The number of schools registered for the scheme rose quickly in the first two weeks, and again after the government announced on 16 June 2020 that the scheme would be extended to cover the school summer holiday. By August 2020, the number of schools that had registered for the scheme was 20,717 (94% of state schools in England).

Schools could choose to continue with local free school meal arrangements rather than joining the scheme, and the proportion of schools registering varied across the country. The DfE was unable to provide information regarding how many children have been supported by the voucher scheme.

The report outlines that to avoid Edenred handling a large volume of sensitive personal data, the DfE made the decision to not require schools to provide pupil details when they were ordering

eCodes. Edenred reported to the NAO that it is estimated, based on the number of unique email addresses used, that the scheme supported between 850,000 and 900,000 families.

It is stated that some schools and families experienced problems with eCodes, particularly in the early weeks. Edenred's IT system did not generate complete and systematic data, for example on waiting times, for the first phase of the scheme, but correspondence that was received as part of the investigation and other evidence indicated that there was a range of problems. Schools reported that it was difficult and time-consuming to register for the scheme in the first instance. Schools told the NAO that it was difficult to log onto Edenred's website to order eCodes and that staff had to do this late at night to avoid long waiting times. Schools and parents said they could not get prompt support from Edenred, either by telephone or email.

According to the evidence gathered the number of calls to Edenred's helpline grew rapidly, peaking at 3,940 on 14 April 2020. The number of emails Edenred received from schools and parents also grew sharply, peaking at 8,878 on 29 April 2020. To help manage the volume of emails, on 17 April 2020, Edenred introduced an artificial intelligence system that generated automated tailored responses to the most frequently asked questions.

The investigation found that the DfE and Edenred took action to improve the scheme's capacity and performance. The DfE told the NAO that the reported problems resulted from Edenred's systems having insufficient capacity to meet demand.

Edenred also advised that it took steps during April 2020 to upgrade its IT systems, improve communications with schools and families, and help supermarkets manage demand for vouchers – and that it continued to make improvements over the life of the scheme.

Over the weekend of 2 and 3 May 2020, Edenred identified approximately 40,000 emails containing eCodes that had not been delivered to families because email addresses provided by schools were incorrect. To rectify this issue, they contacted those schools to advise them on how to order replacement eCodes. At the height of the problems, departmental officials held daily calls with Edenred to monitor progress. Ministers also intervened directly to seek assurance that Edenred was taking sufficiently robust action in response to the problems.

Edenred's management information provided as part of the investigation indicates that interventions by the DfE and Edenred led to improved scheme performance. It is advised that the DfE received daily management information showing, for example, the volume of orders processed. It did not systematically collect data on processing or response times but told the investigation that it discussed these issues in daily meetings with Edenred at the start of the scheme. Edenred's management information points to improvements in performance over the duration of the scheme: -

- I. The time it took Edenred to process orders for eCodes dropped from an average of 4.93 days in April 2020 to 0.16 days in July 2020.
- II. Average waiting times for schools and parents to access Edenred's website fell to virtually zero by July 2020 – from an average in late April 2020 of over 42 minutes for schools and over 12 minutes for parents.

The report states that Edenred's surveys of school administrators and parents also indicated that satisfaction levels grew over the course of the scheme.

The NAO investigation also covered the supermarkets participating in the scheme and advised that the number of supermarket chains participating in the scheme rose from six at the start to 10

by 29 June 2020. It is commented that the DfE wanted a broad range of stores to take part in the scheme so that families could use the vouchers in local, convenient shops that met their needs. It also required that families should be able to spend their vouchers in any branch of a retailer and that participating shops and supermarkets should be able to roll out vouchers quickly through Edenred's website. These requirements meant that, at the start of the scheme, participation was limited to six national supermarket chains with which Edenred had existing commercial relationships and which already had digital gift card systems in place. Four other stores joined later, after developing compatible systems.

The average value of vouchers that families requested per week was highest for Asda, followed by Tesco and Aldi. Some supermarket chains, including Lidl, as well as local convenience stores, the Co-operative Group, and other co-operative societies did not take part in the scheme.

The report advises that the DfE aimed to achieve the best possible coverage by stores accepting the vouchers, but recognised that there would be limitations, especially in rural areas. It requested analysis by the Department for Environment, Food and Rural Affairs to check there was at least one participating retailer in each local authority but did not analyse the distances parents would need to travel to stores or how long it would take using available means of transport.

The NAO report that their analysis showed that, at the start of the scheme, 11.2% of schools were more than five kilometres from the nearest participating store; the choice was limited for a further 6.0% of schools where there was only one participating supermarket store within five kilometres. It is possible that coverage may have improved as more supermarket chains joined the scheme.

APSE Comment

APSE recognises that the voucher scheme was set up in unprecedented circumstances and for many families was a lifeline in the first lockdown. The report, however, emphasises the issues that arise when effective due diligence is not undertaken.

From the start of the pandemic, local authorities mobilised to support their communities, including providing food parcels for children eligible for Free School Meals and in some cases providing vouchers.

When the DfE put in place the voucher scheme, local authorities played a role in supporting schools that could not access the scheme due to the issues reported in the investigation such as accessing the Edenred system or the supermarkets included within the scheme not being accessible in the local area.

Councils have demonstrated throughout COVID-19 that they are best placed to take a leading role in knowing the requirements of and providing for their communities. This has been recognised by government and APSE is supportive of its approach to give local authorities the responsibility and funding for the COVID Winter Grant Scheme and the Holiday Activities and Food Programme.

On a final point, following the conclusion of the voucher scheme, APSE welcomed the DfEs expectation that schools should ensure there is provision for a hot meal for children now that schools are fully open. However, as the voucher provided in the scheme could be

spent on any type of food, not all the children eligible received a lunchtime meal comparable with what they would have received at school. School caterers are reporting a reduction in uptakes in the first term and there remains a challenge ahead to promote and encourage children and parents to return to the hot school meal.

Vickie Hacking
Principal Advisor