



National Audit Office

Report

by the Comptroller
and Auditor General

Department for Education

Investigation into the free school meals voucher scheme

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National Audit Office

Department for Education

Investigation into the free school meals voucher scheme

Report by the Comptroller and Auditor General

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Commons in accordance with Section 9 of the Act

Gareth Davies
Comptroller and Auditor General
National Audit Office

24 November 2020

This investigation sets out how the Department for Education set up and implemented the free school meals voucher scheme during the COVID-19 pandemic, and how much the scheme cost. It was prompted by reports in April 2020 of problems that schools and parents were experiencing using the scheme.

Investigations

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This report can be found on the National Audit Office website at www.nao.org.uk

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What this investigation is about

1 State schools must provide free school meals to eligible pupils. Pupils may be eligible if their parent or carer is in receipt of specified income-related benefits, including Universal Credit. At January 2020, there were 1.44 million eligible children in England. The Department for Education (the Department) funds free school meals with the aim of ensuring that disadvantaged pupils have a healthy lunch that will support their learning and development.

2 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. The Department said that it expected schools to continue to provide free meals during term time to pupils eligible for benefits-related free school meals who were not attending school. On 31 March 2020, the Department announced a national free school meals voucher scheme, as a temporary substitute for the normal arrangements. The vouchers were worth £15 per week for each eligible child.

3 The Department awarded a contract to administer the voucher scheme to a private contractor, Edenred (UK Group) Ltd (Edenred). Schools had a choice whether to use the scheme or to make local arrangements. Schools participating in the scheme ordered electronic codes (eCodes) online that could be converted into shopping vouchers for families to use at nominated supermarkets. The vouchers were mainly in the form of electronic gift cards, although paper vouchers could be printed.

4 This investigation was prompted by reports in April 2020 of problems that schools and parents were experiencing when using the scheme, including difficulties and delays in accessing the Edenred website to order eCodes and convert them to vouchers.

5 This report covers eligibility for free school meals (Part One), the voucher scheme's design and procurement (Part Two), performance (Part Three) and costs (Part Four). We conducted our fieldwork between June and October 2020. Appendix One sets out our methods. We did not assess the value for money of the voucher scheme or cover alternative local arrangements that schools may have put in place.

Summary

Key findings

Scheme design and procurement

6 The Department set up the voucher scheme in 18 days in March 2020.

On the introduction of lockdown restrictions, the Department 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. It also considered other options for providing support, including an uplift to benefits or giving local authorities or schools money to distribute directly to eligible families. The Department concluded, however, 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 government approved the decision to develop the scheme on 13 March 2020. After two weeks working with the contractor to design and set up the arrangements, the Department launched the scheme on 31 March 2020 (paragraphs 2.2 to 2.5 and 2.7, and Figure 3).

7 The Department appointed Edenred (UK Group) Ltd (Edenred) to run the scheme, using an existing government framework contract. In order to get the scheme running quickly, the Department looked first to government's existing contractual frameworks and suppliers with which government already had relationships – where the mechanism to implement the voucher scheme was available, assurances regarding data security and management had already been determined, and costs could be met centrally. On 16 March 2020, the Department asked the Crown Commercial Service if there was an existing framework contract that could be used to provide the voucher scheme or, if not, to facilitate an introduction to Edenred. Edenred is the sole supplier to government departments and public bodies under a Crown Commercial Service framework covering the provision of employee benefit and recognition schemes, including vouchers, through an online platform. The Department awarded an initial contract to Edenred on 28 March 2020, and extended the contract twice (paragraphs 2.8 to 2.11, and Figure 3).

8 The Department recognised that the choice of supplier, speed of implementation and uncertainty about likely take-up of the scheme created risks. The Department was uncertain 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 Department 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 Department told us that it confirmed with the Crown Commercial Service that no issues had been raised about Edenred's prior performance as a government supplier. The Department's 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. In such circumstances the Department would normally have asked for a parent company guarantee. However, it judged that this would not be possible in the time available and that other mitigations were sufficient (paragraphs 2.12 to 2.14).

Scheme performance

9 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 Department does not know precisely how many children have been supported by the voucher scheme. To avoid Edenred having to handle a large volume of sensitive personal data, the Department did not require schools to provide pupil details when they were ordering eCodes. Edenred told us that it estimated, based on the number of unique email addresses used, that the scheme supported between 850,000 and 900,000 families (paragraphs 2.6 and 3.2 to 3.5, and Figures 3 and 4).

10 Some schools and families experienced problems with the scheme, 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 we received and other evidence indicate 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 us 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. 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 which generated automated tailored responses to the most frequently asked questions (paragraphs 3.7, 3.14 and 3.16).

11 The Department and Edenred took action to improve the scheme's capacity and performance. The Department told us that the reported problems resulted from Edenred's systems having insufficient capacity to meet demand. Edenred told us 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. It contacted those schools to advise them 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 (paragraphs 3.8 to 3.17).

12 Edenred's management information indicates that interventions by the Department and Edenred led to improved scheme performance. The Department 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 us that it discussed these issues in daily meetings with Edenred at the start of the scheme. Edenred's own management information points to improvements in performance over the duration of the scheme. 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. 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. Edenred's surveys of school administrators and parents also indicate satisfaction levels grew over the course of the scheme (paragraphs 3.11 and 3.18 to 3.20, and Figures 6 and 7).

13 The number of supermarket chains participating in the scheme rose from six at the start to 10 by 29 June 2020. The Department 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 (paragraphs 3.21 to 3.24 and 3.26, and Figure 8).

14 The Department aimed to achieve the best possible coverage by stores accepting the vouchers, but recognised there would be limitations, especially in rural areas. It requested analysis by the Department for Environment, Food & 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. Our analysis shows that, at the start of the scheme, 11.2% of schools were more than five kilometres from the nearest participating store; 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 (paragraphs 3.28 and 3.29).

Scheme costs

15 At 5 October 2020, the Department forecast that the final cost of the scheme would be no more than £384 million. The Department does not know the value of vouchers that families have used because data are not available from the supermarket chains. At the start, the Department had incomplete information to use to estimate reliably the likely cost of the scheme. It estimated that the potential maximum cost could be £473 million, assuming 100% take-up and were the scheme to cover the school holidays as well as term time. The £384 million forecast final cost represents 81% of this estimate (paragraphs 4.6 to 4.11, and Figure 10).

16 The Department does not know whether Edenred made a profit from running the scheme. The Department paid Edenred the face value of eCodes issued to families, less any cancelled or expired codes. This arrangement means the final cost to the Department will be the value of vouchers that families received. The Department did not pay Edenred a management fee or any costs for administering the scheme, and there were no financial incentives or penalties linked to performance. Under its framework contract, Edenred must pay the Crown Commercial Service a management charge of 1% of the value of vouchers issued. Edenred generated revenue from the scheme by buying vouchers from supermarket chains at a discount on their face value. Under the framework contract, the Department has an open book arrangement that would give it sight of Edenred's income and costs relating to the scheme. At the time of our work, the Department had not made use of this arrangement and told us it did not know details of the potential profit or loss Edenred may have made from running the scheme (paragraphs 3.6 and 4.2 to 4.5, and Figure 9).

Part One

Free school meals

1.1 The Department for Education (the Department) funds free school meals with the aim of ensuring that disadvantaged children have a healthy lunch that will support their learning and development. State schools are legally responsible for providing free school meals to eligible pupils. Pupils may be eligible if their parent or carer is in receipt of specified income-related benefits, including Universal Credit.

1.2 At January 2020, 1.44 million children in England, from reception classes to sixth forms, were eligible for free school meals. Nationally, this figure represented 17.3% of all pupils, but the proportion of eligible children varied between local authorities from 7.1%, in both Wokingham and Rutland, to 34.1% in Knowsley (**Figure 1**).

1.3 The Department publishes data annually on the number of children eligible for free school meals, collected through the school census each January. There is wide agreement that the number has risen during the COVID-19 pandemic as the number of people claiming Universal Credit increased substantially. The Department also announced on 20 April 2020 that it was temporarily extending eligibility for free school meals to children in migrant families who would normally have no recourse to public funds.

1.4 All children in reception classes and those in years 1 and 2 normally receive free school meals when they are at school. This universal entitlement is distinct from the benefits-related entitlement, and the Department funds it separately. Only children in this age group who were eligible for benefits-related free school meals were covered by the voucher scheme.

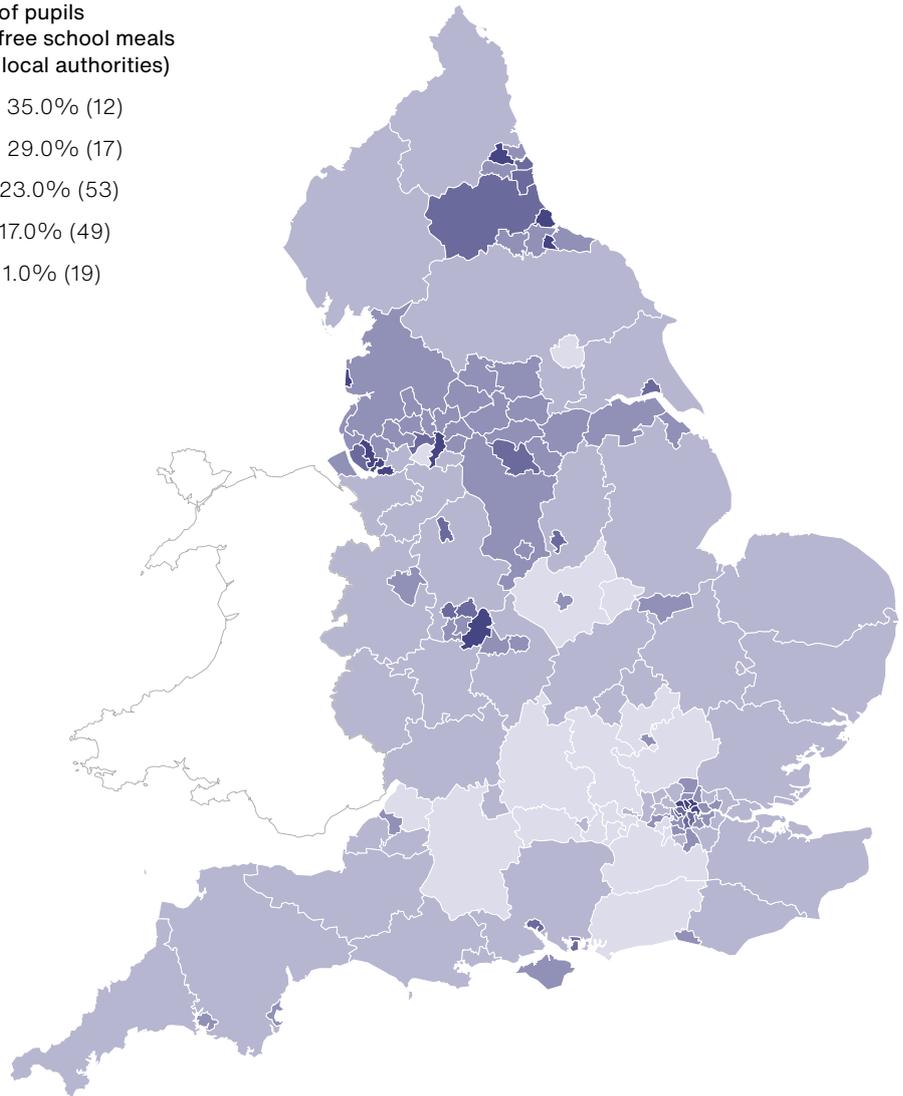
Figure 1

Proportion of pupils eligible for benefits-related free school meals by local authority in England, January 2020

The proportion of pupils eligible for free school meals was 29.1% or more in 12 of 150 local authorities

Proportion of pupils eligible for free school meals (number of local authorities)

- 29.1% – 35.0% (12)
- 23.1% – 29.0% (17)
- 17.1% – 23.0% (53)
- 11.1% – 17.0% (49)
- 5.1% – 11.0% (19)

**Notes**

- 1 The map shows the number of pupils known to be eligible for free school meals because their parent or carer was in receipt of specified income-related benefits, as a proportion of the pupil population at the January 2020 school census.
- 2 We excluded the Isles of Scilly due to the very small number of eligible pupils.
- 3 The proportion of eligible pupils varied from 7.1% to 34.1% between local authorities.
- 4 The map is based on counties and unitary authorities (upper-tier local authorities) at December 2019.

Source: National Audit Office analysis of Department for Education data

Part Two

Scheme design and procurement

2.1 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. The Department for Education (the Department) said that it expected schools to support pupils eligible for benefits-related free school meals who were not attending school.¹

2.2 On the introduction of lockdown restrictions, the Department considered that it would be best for schools to support children eligible for free school meals by using their existing catering providers to supply meals or food parcels directly to families. Some schools put local arrangements of this kind in place, but the Department recognised that a more significant national response might be required to support schools in a situation that was evolving rapidly.

2.3 The Department therefore decided that it needed to take action to provide a national arrangement. Stakeholders we consulted told us they had welcomed the national scheme as a necessary and well-intentioned initiative to support disadvantaged children during the pandemic.

Choice of a voucher scheme

2.4 The Department's early thinking, in the first half of March 2020, had focused on providing an alternative to free school meals for families who were self-isolating, in the expectation that schools would remain open for most pupils. The Department considered four options:

- working with the Department for Work & Pensions and HM Revenue & Customs, to increase relevant benefit payments;
- making cash transfers to the Ministry of Housing, Communities & Local Government, or directly to local authorities, to fund local arrangements for supporting vulnerable families;
- providing cash for schools to distribute directly to families of eligible pupils; and
- a national voucher scheme.

¹ Schools were not expected to support pupils entitled to universal free school meals (see paragraph 1.4).

2.5 Initially, the Department's preferred option was an uplift to benefits. However, with advice from other government departments, it concluded that it would not be possible, in the time available, to implement a scheme that could distinguish families eligible for free school meals from other benefit recipients. The Department was reluctant to make schools responsible for cash, partly for security reasons and because handling money and face-to-face contact would increase the risk of spreading the virus. The Department 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. It also favoured this option because it allowed funding for the scheme to be managed centrally.

2.6 The scheme gave families vouchers, worth £15 per child per week, that they could use to buy food and groceries from participating supermarkets. The vouchers were mainly in the form of 'eGift cards', although paper vouchers could be printed. Schools ordered 'eCodes' for eligible children, that either the schools or families themselves could convert into shopping vouchers (**Figure 2** overleaf). The Department did not oblige schools to use the national scheme, and some schools continued local arrangements.

Development of the voucher scheme

2.7 On 13 March 2020, the Cabinet Secretary asked departmental officials to progress a solution for continued provision of food for children unable to attend school. The Department designed and implemented the voucher scheme over the following 18 days (**Figure 3** on page 15).

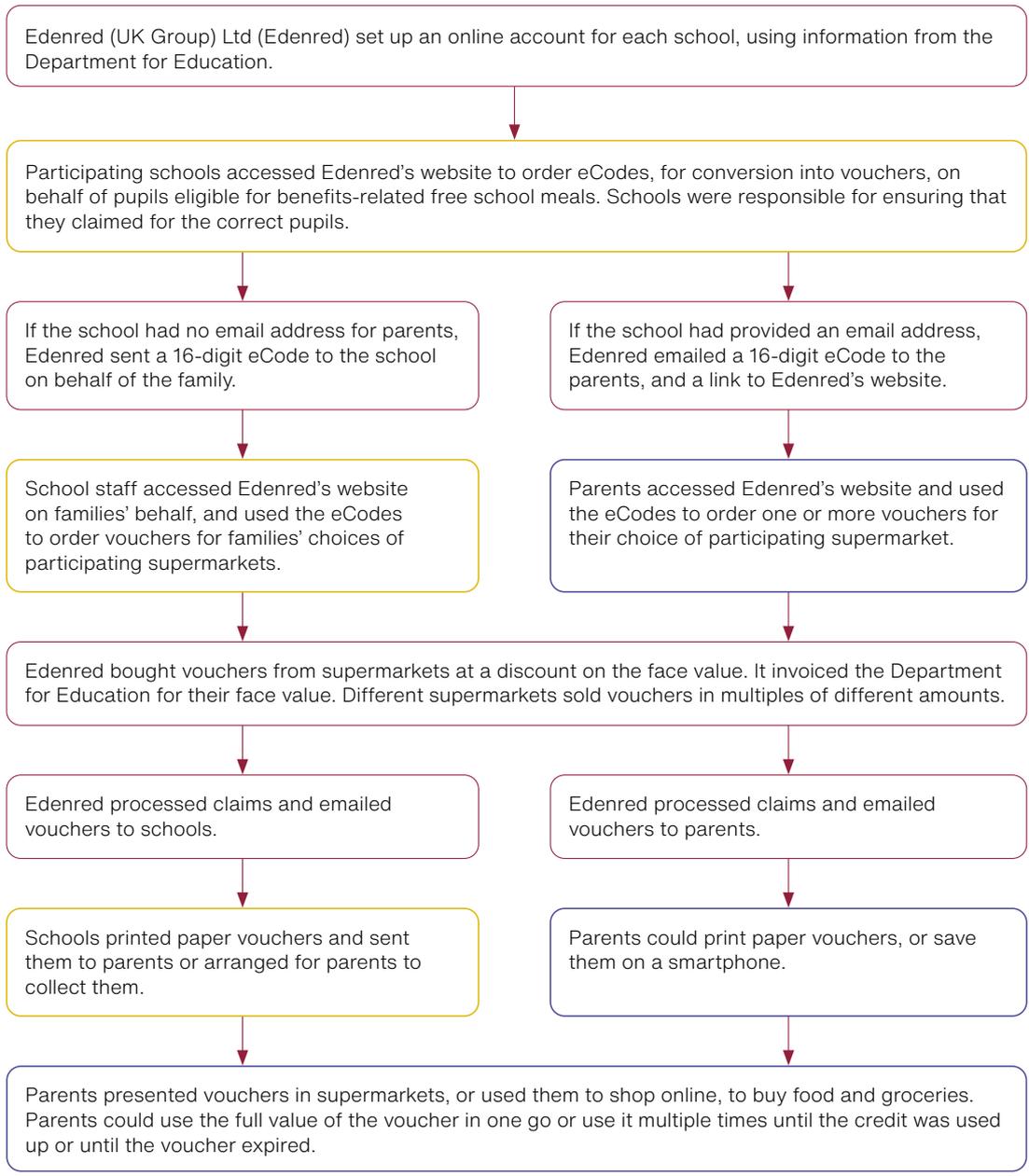
Choice of provider

2.8 The Department considered it did not have the capacity or capability to administer the voucher scheme itself. It told us that, as it needed to put the scheme in place quickly, it looked first to government's existing contractual frameworks and suppliers with which government already had relationships – where the mechanism to implement the scheme was available and assurances regarding data security and management had already been determined. On 16 March 2020, the Department asked the Crown Commercial Service if there was an existing framework contract that could be used to provide the voucher scheme or, if not, to facilitate an introduction to Edenred (UK Group) Ltd (Edenred). Edenred was an existing supplier to government departments and public bodies, with a Crown Commercial Service framework contract to provide employee benefit and recognition schemes, including vouchers, through an online platform.²

² The Crown Commercial Service is the government's specialist public procurement organisation. It publishes commercial agreements (frameworks) for a wide variety of goods and services. A framework comprises a description of common public sector requirements, a list of suppliers that have been evaluated as capable of delivering the requirements, and standardised contract terms.

Figure 2
How the free school meals voucher scheme worked

The process for ordering vouchers was similar for both schools and parents



□ Steps taken by Edenred □ Steps taken by schools □ Steps taken by parents ➔ Flows between steps in the process

Notes

- 1 This is a simplified view of the main steps involved in the voucher scheme.
- 2 eCodes could not be used before the start date set by schools when ordering. At the start of the scheme, schools or parents had four months to redeem eCodes for vouchers before the eCodes expired.

Figure 3

Key developments in the free school meals voucher scheme

The Department for Education (the Department) designed and implemented the voucher scheme in the last two weeks of March 2020 and, at launch, there were six participating supermarkets

Date	Key developments
13 March 2020	The Prime Minister was briefed on options to continue providing food for children not able to attend school. The Cabinet Secretary asked officials to progress a solution.
16 March 2020	The Department asked the Crown Commercial Service if there was an existing framework agreement that could be used to provide free school meals vouchers or, if not, if the Crown Commercial Service could facilitate an introduction to Edenred (UK Group) Ltd (Edenred).
17 March 2020	The Department held its first conference call with Edenred to discuss the voucher scheme.
18 March 2020	The Secretary of State for Education announced that schools would close on 20 March 2020, until further notice, except for vulnerable children and children of key workers.
20 March 2020	The Secretary of State for Education approved the voucher scheme and the contract award to Edenred.
24 March 2020	The cross-government Inter-Ministerial Group approved the Department proceeding with the national voucher scheme.
28 March 2020	The Department awarded a contract to Edenred, through a direct award based on Edenred's existing Crown Commercial Service framework agreement. The contract ran to 26 April 2020 and had a value of £78 million.
31 March 2020	The Department publicly launched the voucher scheme with six participating supermarkets: Asda; M&S; Morrisons; Sainsbury's; Tesco and Waitrose.
4 April 2020	The government announced, at the daily Downing Street press briefing, that the voucher scheme would be extended over the Easter school holiday.
24 April 2020	The Department extended its contract with Edenred to 24 June 2020, with a new total value of £234 million.
27 April 2020	Aldi joined the scheme.
29 April 2020	McColl's (including RS McColl's and Martin's) joined the scheme.
16 June 2020	The government announced a COVID Summer Food Fund, to extend the voucher scheme over the school summer holiday for children known to be eligible for free school meals at the end of the summer term.
19 June 2020	The Department extended its contract with Edenred to 31 August 2020, with a new total value of £425 million.
29 June 2020	Company Shop Group and Iceland (including Food Warehouse Stores) joined the scheme.

Source: National Audit Office, based on information from the Department for Education

2.9 We received evidence from Wonde that it had approached the Department with a proposal to implement a voucher scheme.³ Wonde told us that it had launched a system for schools to buy supermarket vouchers for parents on 20 March 2020 and that, by 27 March 2020, over 4,000 schools had joined this scheme. Wonde also told us that over 3,000 schools continued to order vouchers using Wonde's system, after the national voucher scheme had been launched.

2.10 The Department told us that it considered alternative providers, including Wonde, to run the scheme, but concluded they were less able to put in place quickly a national electronic scheme that was secure and the costs of which could be met directly and centrally. It also concluded that seeking alternatives to Edenred would require a competitive procurement exercise that would take too long. It therefore decided to award the contract to Edenred by a negotiated procedure, without prior publication of a tender.⁴

2.11 The Department considered, having taken advice from the Government Legal Department and the Crown Commercial Service, that Edenred's framework contract could be adapted to meet the Department's commercial assessment criteria and used to cover the services needed for the free school meals voucher scheme. Edenred was the only provider on this Crown Commercial Service framework, which it had won first in November 2015 and again in August 2019, in each case following a competitive tendering exercise. The Crown Commercial Service told us that the framework contract was awarded to a single supplier so that any public bodies using it would offer consistent benefit and recognition schemes to their staff.

2.12 The Department recognised there were risks arising from the speed with which it implemented the voucher scheme, and uncertainty around take-up by schools. Its analysis estimated that take-up could be anywhere between 50% and 100% of schools. In its contract award letter to Edenred, the Department said that it would provide registration details for more than 20,000 schools, equivalent to potentially 100% take-up.

3 Wonde is a company that provides an interface between schools' management information systems and third-party suppliers.

4 The legal basis for awarding public contracts by negotiated procedure is Regulation 32(2)(c) of the *Public Contracts Regulations 2015*. The Regulations allow public contracts to be awarded by a negotiated procedure without prior publication "for reasons of extreme urgency brought about by events unforeseeable by the contracting authority".

2.13 The Department's approach placed substantial reliance on Edenred. However, it had limited evidence about Edenred's capacity to deliver the voucher scheme to the pace and scale required. The Department told us that it took assurance from the fact that Edenred was an international company and an established government supplier; and, before awarding the contract, it confirmed with the Crown Commercial Service that no issues had been raised about Edenred's prior performance as a government supplier. The Department checked Edenred's data security and its ability to provide school-level management information, and also sought assurance from the National Cyber Security Centre that there was no likely threat to the online voucher system.

2.14 The Department's 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. This circumstance would normally require a parent company guarantee, but the Department judged that obtaining a guarantee would not be possible in the time available and that other mitigations would be sufficient. The Department told us it had been mindful that Edenred might need additional financial support, particularly to put right problems at the start of the scheme, and had asked Edenred in its regular discussions whether the business was financially vulnerable. It also told us that Edenred had not asked for additional financial support but had covered the cost of extra work on its IT systems and call centre capacity from its own resources.

Part Three

Scheme performance

3.1 The Department for Education (the Department) was ultimately accountable for the success and value for money of the voucher scheme. Edenred (UK Group) Ltd (Edenred) was responsible for running the scheme, including processing applications for vouchers, and supporting schools and families to use the scheme. Schools were responsible for checking families' eligibility, in line with their usual duties, and ordering eCodes on families' behalf. They remained legally responsible for providing free school meals to eligible pupils where education was being provided.

Take-up

3.2 At January 2020, of the 22,029 state schools in England, 21,597 were known to have pupils eligible for free school meals. The number of schools with eligible pupils is likely to have increased by the end of March 2020, when the scheme was introduced, and to have continued to rise thereafter as more children became eligible. All state schools were potential users of the voucher scheme.

3.3 Over 11,000 school administrators registered immediately after the scheme opened and by 3 August 2020, there were 21,660 school administrators, in 20,717 schools, who had registered (**Figure 4**). The number of schools registering rose quickly in the first two weeks of the scheme and remained stable to the middle of June. After the government announced that the scheme would be extended to cover the school summer holiday, the number of registered schools rose again.

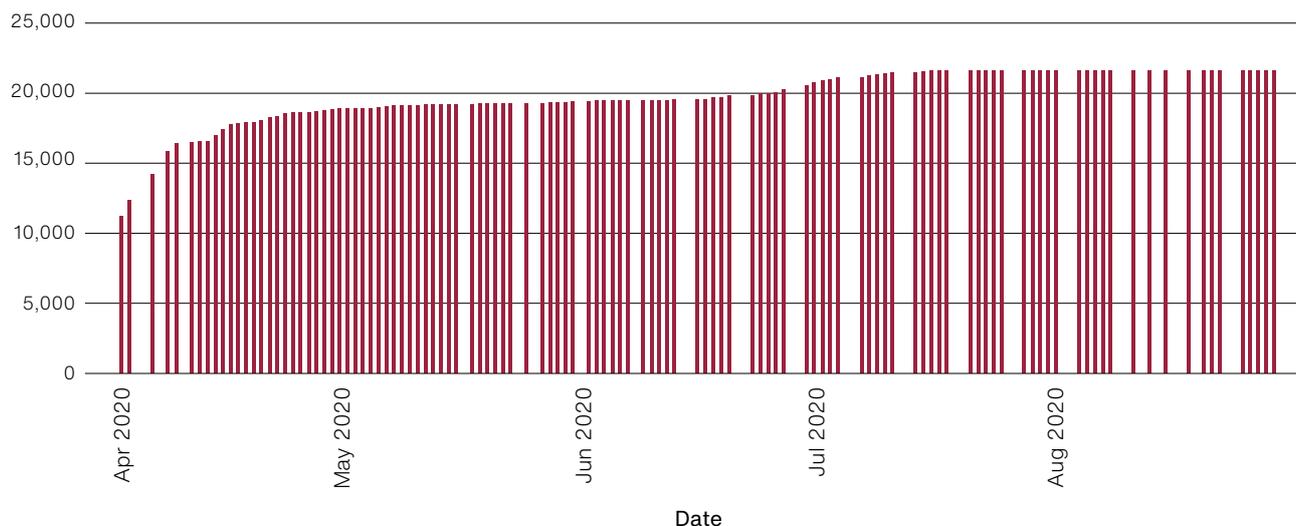
3.4 In total, 94% of state schools in England registered for the scheme. The proportion of schools registering varied across the country. In the first week of July 2020, take-up was lowest in Knowsley, where 46% of schools had registered for the scheme and 5% had ordered eCodes. Knowsley has a high proportion of eligible pupils (paragraph 1.2) and the Department told us that many schools in Knowsley had used local voucher arrangements instead of the national scheme. In contrast, 100% of schools in Lambeth had registered for the scheme and 98% had ordered eCodes.

Figure 4

School administrators registered for the free school meals voucher scheme, April to August 2020

Over 11,000 school administrators registered immediately after the scheme opened, and the number rose quickly during the following two weeks

Total number of registered school administrators



School administrators registered on the first working day of each month

Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020
11,191	18,909	19,413	20,907	21,660

Notes

- 1 The Department for Education launched the voucher scheme on 31 March 2020. It announced on 16 June 2020 that it was extending the scheme to cover the school summer holiday.
- 2 This Figure draws on Edenred's management information, which reported the number of school administrators registering on its website. The total number of registrations shown is 943 higher than the total number of schools registering (20,717) because some schools had more than one registered administrator. Equivalent time series data for the number of schools registering are not available.
- 3 The data table shows school administrators registered on the first working day of each month. Since data are not available for 1 April 2020, the first available data, for 2 April 2020, have been used for that month.

Source: National Audit Office analysis of Edenred management information

3.5 The Department does not know precisely how many children eligible for free school meals were supported by the voucher scheme or how many were supported by local arrangements. To avoid Edenred having to handle a large volume of sensitive personal data, the Department did not require schools to provide pupils' details when they were ordering eCodes. Edenred did not need this information to check orders were valid because schools were responsible for ensuring that only eligible pupils received vouchers. Edenred issued 10.1 million vouchers in total, but this number is not a reliable measure of the number of children benefiting from the scheme because individual vouchers could cover more than one child in the same family, or more than one week. Families could also choose to split their entitlement between more than one supermarket chain. Edenred told us that it estimated, based on the number of unique email addresses used, that the scheme supported between 850,000 and 900,000 families.

Concerns about scheme performance

3.6 The Department agreed service levels with Edenred based on those in Edenred's framework contract. The Department also told schools and parents what performance they should expect in published guidance. There were no financial incentives or penalties in the contract linked to over- or under-performance against these measures.

3.7 Media reports, evidence to the House of Commons Education Committee and correspondence we received indicate there was a range of problems in the early weeks of the scheme:

- Schools reported that it was difficult and time-consuming to register for the scheme. Edenred's management information shows that, by 3 April 2020, 89% of schools attempting to register had successfully done so. If schools had not received an email inviting them to register, or if they wanted a different member of staff to access the scheme, school administrators could submit new contact details and, subject to data checks, Edenred sent a new welcome email. Edenred told us that it received more than 1,400 requests to change contact details in the first week of the scheme, representing schools that may have experienced a delay in accessing the scheme.
- Schools and parents said they could not get prompt customer support. Edenred set up dedicated email addresses for schools and parents, but schools reported that emails were not answered promptly. The number of calls each day to Edenred's telephone helpline increased rapidly, from 727 on 1 April 2020 to 3,940 on 14 April 2020.

- Schools told us 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. While waiting for orders to be processed, some schools used their own funds to buy supermarket vouchers. A survey by the National Association of Head Teachers, carried out between 30 April and 4 May 2020, found that 96% of schools had experienced problems.⁵
- Parents reported difficulties with getting their vouchers. Edenred told us that, at the start, 3.5% of the email addresses for families that schools provided when making orders were incorrect, meaning that those families did not receive eCodes. We also heard from stakeholders that some parents had to wait for several hours to access Edenred's website in order to convert eCodes to vouchers. This is likely to have been costly for people using pay-as-you-go mobile phones.

3.8 Edenred reported that, over the weekend of 2 and 3 May 2020, it identified approximately 40,000 emails containing eCodes that had not been delivered to families because the email addresses schools had provided for them were incorrect. On 7 May 2020, Edenred contacted those schools to advise them how to order replacement eCodes. Edenred told us that, over the life of the scheme, more than 134,000 eCodes were undelivered because of incorrect email addresses, affecting more than 36,600 parents.

Action to improve performance

3.9 The Department told us that the reported problems resulted from Edenred's systems having insufficient capacity to meet demand. Pressure on the system continued when, on 4 April 2020, the government announced that it was extending the scheme to cover the school Easter holiday. Edenred told us it was not informed in advance of this announcement, and that it had intended to use the holiday period to process outstanding orders and make adjustments to its systems to improve performance.

Action by the Department

3.10 During April 2020, the Department explored options to reduce pressure on the scheme. It considered more actively encouraging schools to use local arrangements, as an alternative to the national voucher scheme. It also explored the possibility of buying vouchers from an alternative national supplier but did not pursue this option.

⁵ The National Association of Head Teachers surveyed school business leader members between 30 April and 4 May 2020. There were 932 respondents, of whom 96% said they had experienced problems with the voucher system.

3.11 The Department relied heavily on day-to-day liaison with Edenred to oversee the scheme. At the height of the problems, departmental officials held daily calls with Edenred to monitor progress. It received daily management information showing, for example, the volumes of orders that schools had made, eCodes that had been processed and vouchers that had been sent to parents. The Department did not systematically collect data on processing times that could be used to measure performance against the undertaking, given in guidance to schools, that Edenred would issue eCodes within four days.

3.12 Ministers intervened directly to seek assurance that Edenred was taking sufficiently robust action in response to the problems. On 30 April 2020, following a telephone call between the Minister of State and Edenred's Chief Executive, the Department pressed Edenred on:

- a strategy to make sure schools and families could access Edenred's website more quickly;
- evidence of improved customer service for all calls and emails, and specifically in respect of a hotline for MPs;
- a strategy to clear the backlog by issuing vouchers to families and schools as soon as possible; and
- a plan to bring in external technical experts, if Edenred was not able to make these improvements itself.

Action by Edenred

3.13 Edenred told us that it took steps to address pressures on different aspects of system capacity in the early weeks and that it continued to make improvements over the life of the scheme. The actions it took included the following.

IT systems

3.14 Edenred drew on expert support, initially from its parent company and, from 5 May 2020, from external consultants, to upgrade its IT infrastructure and software. This work included implementing queuing systems to help manage demand through the website that schools used to order eCodes (on 21 April 2020) and the website that parents used to convert eCodes to vouchers (on 16 April 2020). The queuing systems provided management information about how long people were waiting and which days of the week or times of day there was most demand. Edenred further upgraded its website (on 24 July 2020) to allow parents to ask for lost eCodes to be cancelled and automatically resent.

Communications with schools and families

3.15 In the early weeks of the scheme, in April 2020, Edenred called on staff from other parts of its business to help handle the volume of telephone calls it was receiving. It brought in an outsourced contact centre on 11 May 2020 to increase capacity further.

3.16 The number of emails Edenred received from schools and parents grew sharply, peaking at 8,878 on 29 April 2020. To help manage this volume, Edenred introduced an artificial intelligence system, on 17 April 2020. This system generated automated tailored responses to the questions schools and parents most frequently asked, reducing the number of emails that Edenred had to process manually. Edenred told us that in total the artificial intelligence system handled 180,000 emails and resolved 74% of queries. Edenred also prepared a visual guide to the voucher system, to help people who found the written guidance difficult to understand or for whom English was not their first language.

Buying vouchers from supermarkets

3.17 For the scheme to work smoothly, retailers had to generate vouchers promptly or hold stocks in advance of receiving orders. However, at the start of the scheme they did not know how many vouchers might be required. Edenred worked with the supermarket chains to help forecast demand for vouchers, and to manage cashflow. Edenred had different arrangements for buying vouchers from different supermarkets but, where it was able to, bought stocks of vouchers in advance that it could send out to families without delay.

Performance trends

Key performance indicators

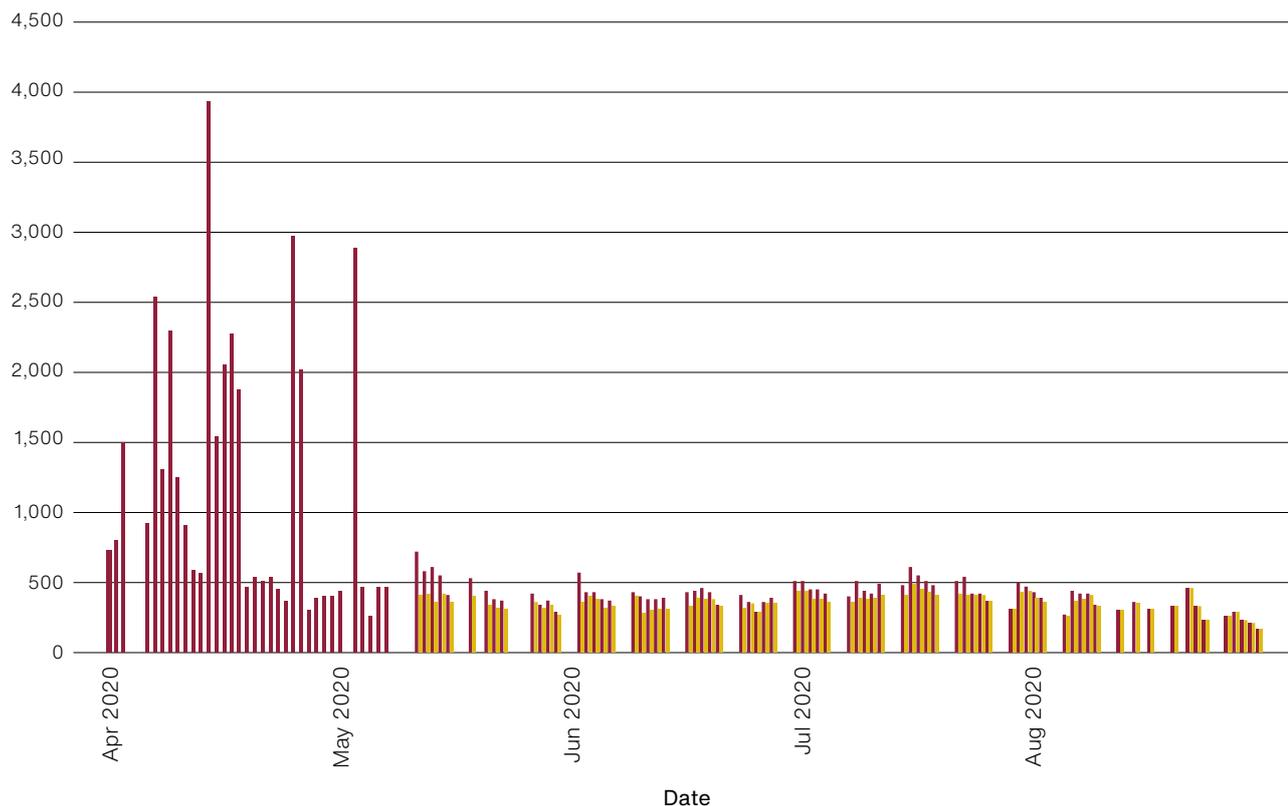
3.18 One of the service-level indicators in Edenred's framework contract was that it should answer 90% of telephone calls within 30 seconds. However, the Department did not monitor performance against this measure. It collected data on the number of inbound calls from 1 April 2020 and started collecting the number of calls answered from 11 May 2020. Calls to Edenred's telephone helpline peaked in the early weeks of the scheme. The Department has no data on response rates during this period, but told us that it discussed this aspect of performance with Edenred. Between 11 May and 28 August 2020, Edenred received an average of 411 calls a day; overall it answered an average of 86.2% of calls, with performance improving from 76.5% in May to 97.6% in August (**Figure 5** overleaf).

Figure 5

Calls from schools and families to Edenred’s telephone helpline, April to August 2020

Edenred received large numbers of calls in April and early May 2020, but did not start to monitor the proportion of calls answered until 11 May 2020

Number of calls



■ Calls received
 ■ Calls answered

Note
 1 Data on calls answered are available only from 11 May 2020.

Source: National Audit Office analysis of Edenred management information

3.19 Ministers raised specific concerns at the end of April 2020 that it was difficult to access Edenred’s website and that Edenred was taking too long to process orders, leading to delays in families receiving vouchers (paragraph 3.12). The Department did not systematically collect information on these issues, but Edenred’s own management information points to poor performance in April with improvements in later months (**Figure 6**). Specifically:

- 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.
- Average waiting times for schools and families 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 families.

Figure 6

Edenred’s reported performance for processing orders, and waiting times to access Edenred’s website, April to July 2020

Edenred’s reported performance against measures of processing and waiting times improved significantly after April 2020

	April 2020	May 2020	June 2020	July 2020
Average time to process orders and send out eCodes	4.93 days	3.50 days	0.56 days	0.16 days
Average waiting time for schools to access Edenred’s website	42.36 minutes ²	4.17 minutes	0.02 minutes	0.22 minutes
Average waiting time for families to access Edenred’s website	12.39 minutes ²	2.18 minutes	0.86 minutes	0.01 minutes

Notes

- 1 The Department for Education’s user guide for school administrators said that orders would be processed and eCodes sent out within four days of the order being approved.
- 2 Edenred started measuring waiting times for schools to access its website from 21 April 2020, and for parents to access its website from 16 April 2020.

Source: Edenred management information

Schools' and parents' views

3.20 Edenred commissioned surveys of school administrators and parents in July 2020. Respondents were asked to compare their experience of the first four weeks of using the scheme with the last four weeks. Both surveys indicate satisfaction levels rose.⁶

- School administrators expressed high levels of dissatisfaction about when they first used the scheme (**Figure 7**). For the first four weeks, satisfaction was lowest for the speed of access to order eCodes. Overall, schools scored this 1.9 out of 5, with 47.0% of schools indicating they were totally dissatisfied and 3.7% totally satisfied. By the last four weeks of using the scheme, the position had reversed and school satisfaction was much higher. Schools scored this aspect of performance 4.3 out of 5, with 1.4% of schools indicating they were totally dissatisfied and 47.8% totally satisfied.
- Edenred's survey of parents found higher levels of satisfaction with Edenred's operation of the scheme than was the case for schools. In the first four weeks of use, 65.4% of parents said they were totally satisfied with the scheme, rising to 70.4% in the last four weeks.

Figure 7

Schools' satisfaction with Edenred's operation of the free school meals voucher scheme

Schools reported higher satisfaction in the last four weeks they used the scheme than in the first four weeks

Schools' satisfaction with:	First four weeks of using the scheme Average score (out of 5)	Last four weeks of using the scheme Average score (out of 5)
Speed of access to order eCodes	1.9	4.3
Ease of ordering	2.5	4.3
Distribution of eCodes to families	2.8	4.2
Edenred's resolution of problems	2.2	3.4

Notes

- 1 The survey used the following rating scale: 1 – Totally dissatisfied; 2 – Dissatisfied; 3 – Neither dissatisfied nor satisfied; 4 – Satisfied; and 5 – Totally satisfied.
- 2 The survey was sent to 21,000 school administrators on 10 July 2020, of whom 3,703 completed the survey.
- 3 School administrators were asked to compare their experience in their first four weeks of using the scheme with the last four weeks. Schools that joined in June 2020 were asked to compare the first two weeks with the last two weeks.

Source: Survey of school administrators, commissioned by Edenred in July 2020

⁶ Edenred commissioned Service Monitor to carry out online surveys. Service Monitor sent a survey link to 21,000 school administrators on 10 July 2020, of whom 3,703 (18%) completed the survey. The parent survey was made available to parents using Edenred's website for claiming vouchers from the scheme. Between 23 July and 20 August 2020, parents completed 187,007 surveys.

Using the vouchers in supermarkets

3.21 Families could use the vouchers to buy food and groceries from the supermarkets they had chosen. The vouchers were not to be used to buy age-restricted items such as alcoholic drinks, and the scheme relied on supermarket staff to enforce this rule.

3.22 The Department 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.

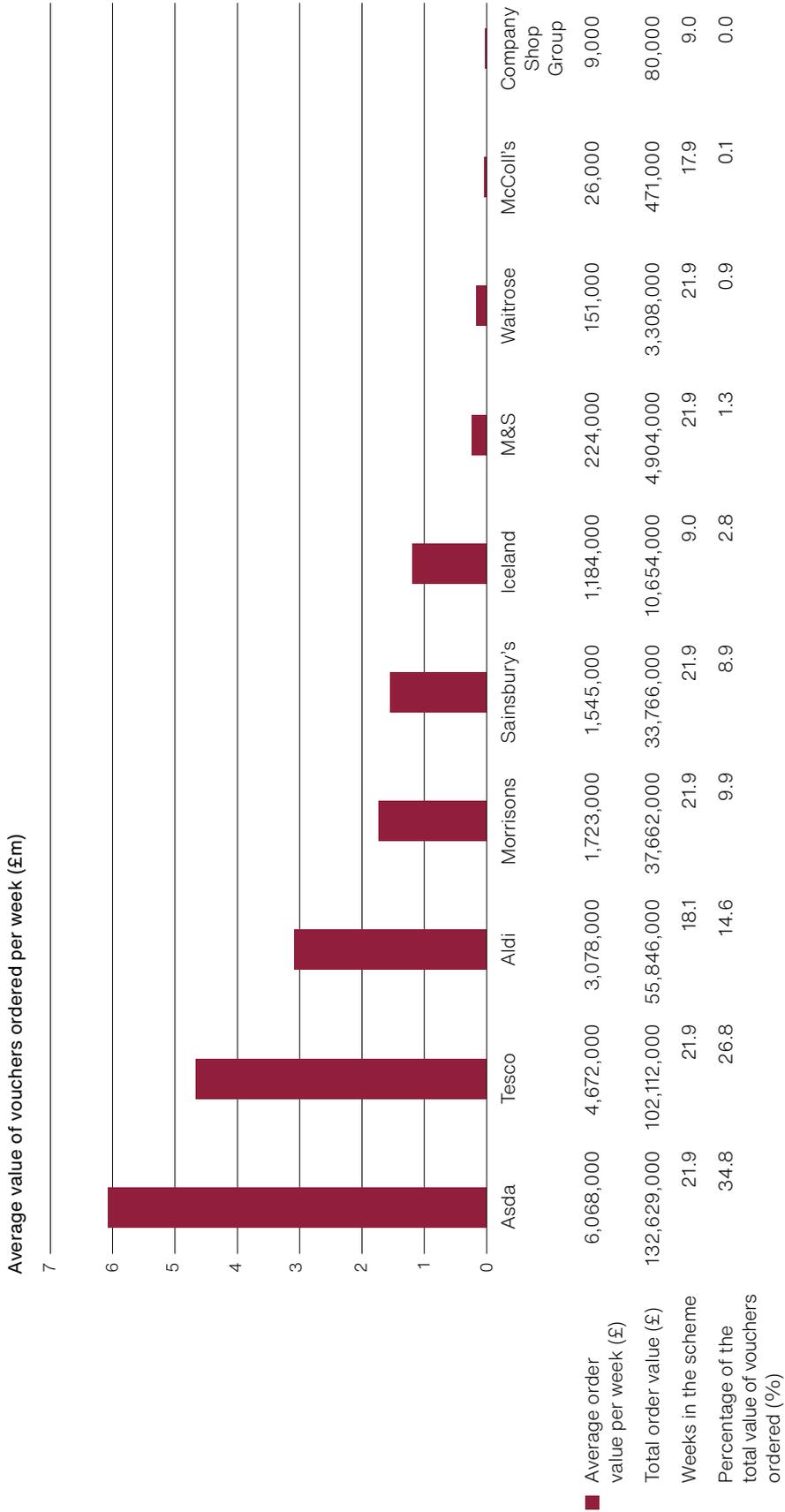
3.23 These requirements meant that, at the start of the scheme, participation was limited to six national supermarket chains that Edenred had existing commercial relationships with and that already had digital gift card systems in place. The six chains were: Asda; M&S; Morrisons; Sainsbury's; Tesco; and Waitrose. Four retailers did not have existing digital gift cards but developed compatible systems in order to join the scheme: Aldi (joined on 27 April 2020); McColls (29 April 2020); Company Shop Group (29 June 2020); and Iceland (29 June 2020).

3.24 The average value of vouchers that families requested per week was highest for Asda (**Figure 8** overleaf). By 1 September 2020, eCodes worth £381 million had been converted into vouchers, with the highest values for Asda (£133 million), Tesco (£102 million) and Aldi (£56 million).

3.25 We asked the participating supermarkets about their experiences of the scheme. The three retailers that responded noted that there were some teething issues at the start and a minority of families had experienced difficulties obtaining the vouchers. Some told us that they would have liked more proactive early engagement from the Department explaining how the scheme worked and how they could get involved. Overall, however, they were positive about the part they played in the scheme.

3.26 Some supermarket chains, including Lidl, as well as local convenience stores, the Co-operative Group and other co-operative societies, were not part of the scheme. The Department told us this was because these shops did not have electronic voucher systems or that, where chains were groups of independent retailers operating under a common brand, there was no guarantee that families would have their vouchers accepted in any branch. The Co-operative Group told us that, as it would have taken time for it to meet the scheme requirements, it decided to use its own physical gift card scheme to give eligible families within the Co-op Academies Trust a £20 weekly voucher per child.

Figure 8
 Average value per week of eCodes converted into vouchers, by supermarket, at 1 September 2020
 Asda had the highest average value per week of eCodes converted into vouchers, and accounted for 35% of the total value of vouchers ordered



Notes

- 1 Order value per week is the total value of vouchers ordered divided by the number of weeks the supermarket chain participated in the scheme. The number of weeks in the scheme is calculated from the date each supermarket chain joined, to 1 September 2020.
- 2 Order values have been rounded to the nearest £1,000.
- 3 Percentages may not sum to 100% due to rounding.

Source: National Audit Office analysis of Edenred management information

3.27 The British Retail Consortium told us that many of the retailers not included in the scheme were important to lower-income consumers, particularly for people in rural locations for whom that retailer was their main food store. It considered that these customers had been denied choice and access. The Association of Convenience Stores, similarly, said it was disappointed that the scheme design had made it difficult for convenience stores to take part. It considered that these stores would have been well placed to contribute given their presence in many local communities.

3.28 The Department told us that accessibility had been a priority when it was designing the scheme. It had aimed to achieve the best geographical coverage possible by stores accepting the vouchers, but had recognised there would be limitations, especially in rural areas. Where eligible families could not access any of the supermarkets involved in the scheme, the Department encouraged schools to consider other options, for example making their own voucher arrangements with other local stores and seeking reimbursement from the Department for the costs incurred (see paragraph 4.13).

3.29 The Department carried out limited work to map the coverage of the supermarkets taking part in the scheme. It requested analysis from the Department for Environment, Food & 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. Our analysis shows that, at the start of the scheme, almost 2,500 schools (11.2% of all schools) were more than five kilometres from their nearest participating store. There was a limited choice for a further 6.0% of schools that had only one participating supermarket store within five kilometres. It is possible that coverage may have improved as more supermarket chains joined the scheme.

Part Four

Scheme costs

Money flows

4.1 **Figure 9** shows transactions between the organisations and families involved in the voucher scheme. HM Treasury provided additional funding to the Department for Education (the Department) for the scheme, having agreed that it would not be feasible to reallocate money from other departmental programmes.

4.2 The Department paid Edenred (UK Group) Ltd (Edenred) weekly for the face value of eCodes issued to schools and parents, net of any eCodes that were cancelled or that expired and were never converted into vouchers. This arrangement means that, overall, the Department will have paid Edenred the face value of vouchers issued to families.

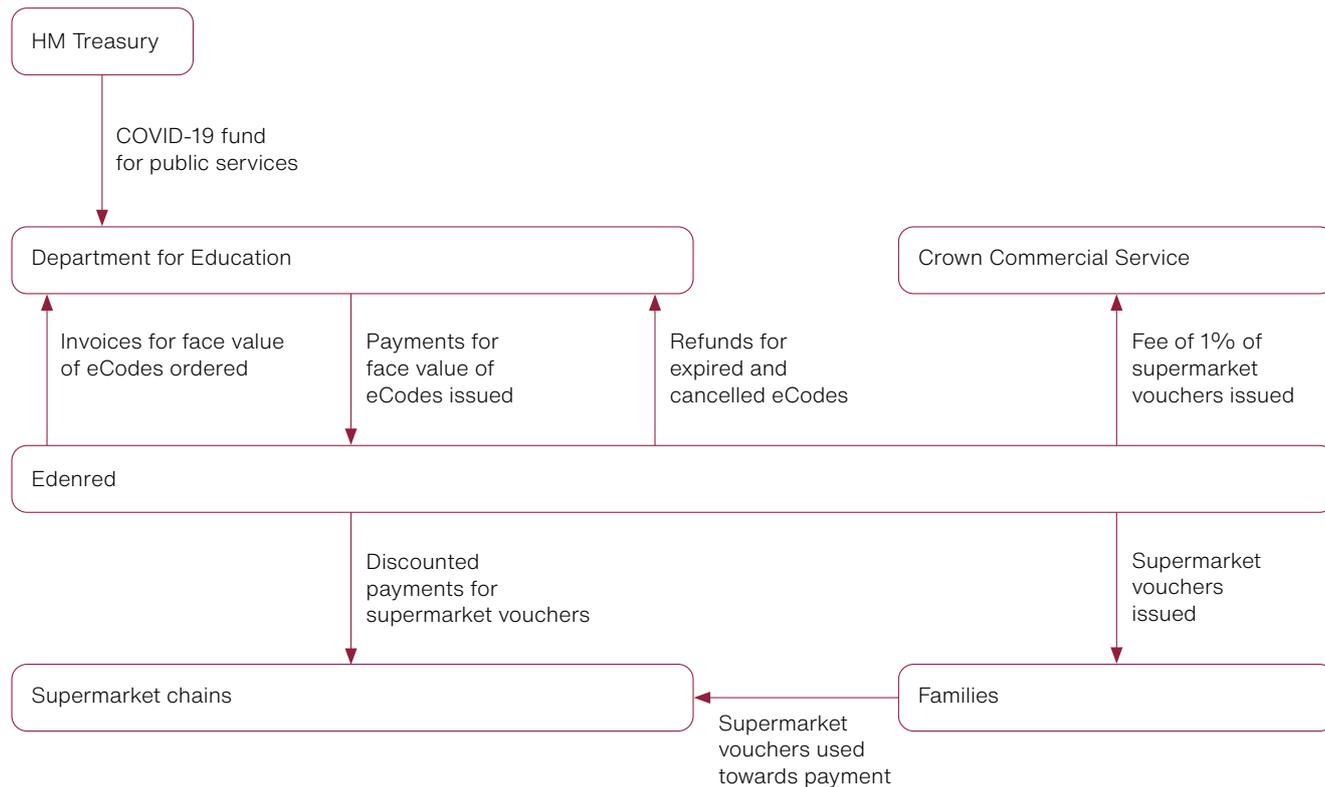
4.3 The Department did not pay Edenred a management fee for administering the scheme. Edenred also met the costs of making improvements to its systems and increasing call centre capacity. It generated revenue from the scheme by buying vouchers at a discount to their face value from the supermarket chains participating in the scheme.

4.4 The framework contract includes an open book arrangement that could be used to give the Department visibility of Edenred's income and costs relating to the voucher scheme. At the time of our work, the Department had not used this arrangement and told us it was not sighted on the different commercial arrangements Edenred had with individual supermarkets (including the amount of the discount) or Edenred's costs. The Department does not know, therefore, the potential profit or loss Edenred may have made from running the scheme.

4.5 The Crown Commercial Service charges Edenred a management fee as part of the framework contract. The management fee was calculated as 1% of the value of eCodes that had been converted into vouchers. Based on the Department's estimate for the final cost of the scheme, the fee will be £3.84 million. The fee is paid to the Crown Commercial Service, rather than to the Department. The Crown Commercial Service uses income from the management fee to help cover its own operating costs.

Figure 9
Transactions in the free school meals voucher scheme

The Department for Education (the Department) paid Edenred for eCodes issued to schools and families, net of any eCodes that were cancelled or expired



→ Transactions

Note

1 Schools are not included in this Figure because they made no payment for vouchers. Reimbursement to schools for the cost of making other local arrangements fell outside the scope of the national voucher scheme.

Source: National Audit Office, based on information from the Department for Education, the Crown Commercial Service and Edenred

Estimated and actual costs

4.6 The Department had incomplete information to use at the outset to estimate reliably the likely cost of the voucher scheme:

- It did not have up-to-date information on how many children were eligible for benefits-related free school meals. In March 2020, when the scheme was set up, the most recent data available to the Department were from the October 2019 school census. This showed that 1.37 million children were eligible. The January 2020 school census data, published in June 2020, showed that the number of eligible pupils had grown by 5.1% to 1.44 million. There is wide agreement that the number has increased further over the life of the scheme.
- It did not know the extent to which schools would use the national scheme or continue with local arrangements. It estimated that scheme take-up could be anywhere between 50% and 100% of schools (paragraph 2.12).

4.7 To forecast the potential maximum cost of the scheme, the Department assumed that vouchers would be worth £15 per child per week and that take-up would be 100% of known eligible pupils. In March 2020, it prepared three maximum cost scenarios:

- £288 million, for term-time provision only;
- £350 million, for provision in term time, and during the Easter and summer half-term holidays; and
- £473 million, for provision in term time, and during the Easter, summer half-term and summer holidays.

4.8 Free school meals are not normally provided during school holidays and, when the scheme was launched, the Department intended that it would cover term time only. Ministers quickly decided, however, that the scheme should cover the Easter holiday and then the summer half-term holiday. In addition, on 16 June 2020, following a high-profile campaign and public pressure, the government announced a 'COVID Summer Food Fund' to extend the scheme over the school summer holiday. The Department said that the decision to extend the scheme was made because families would face increased pressure on household budgets over the summer due to the unprecedented nature of the COVID-19 outbreak.

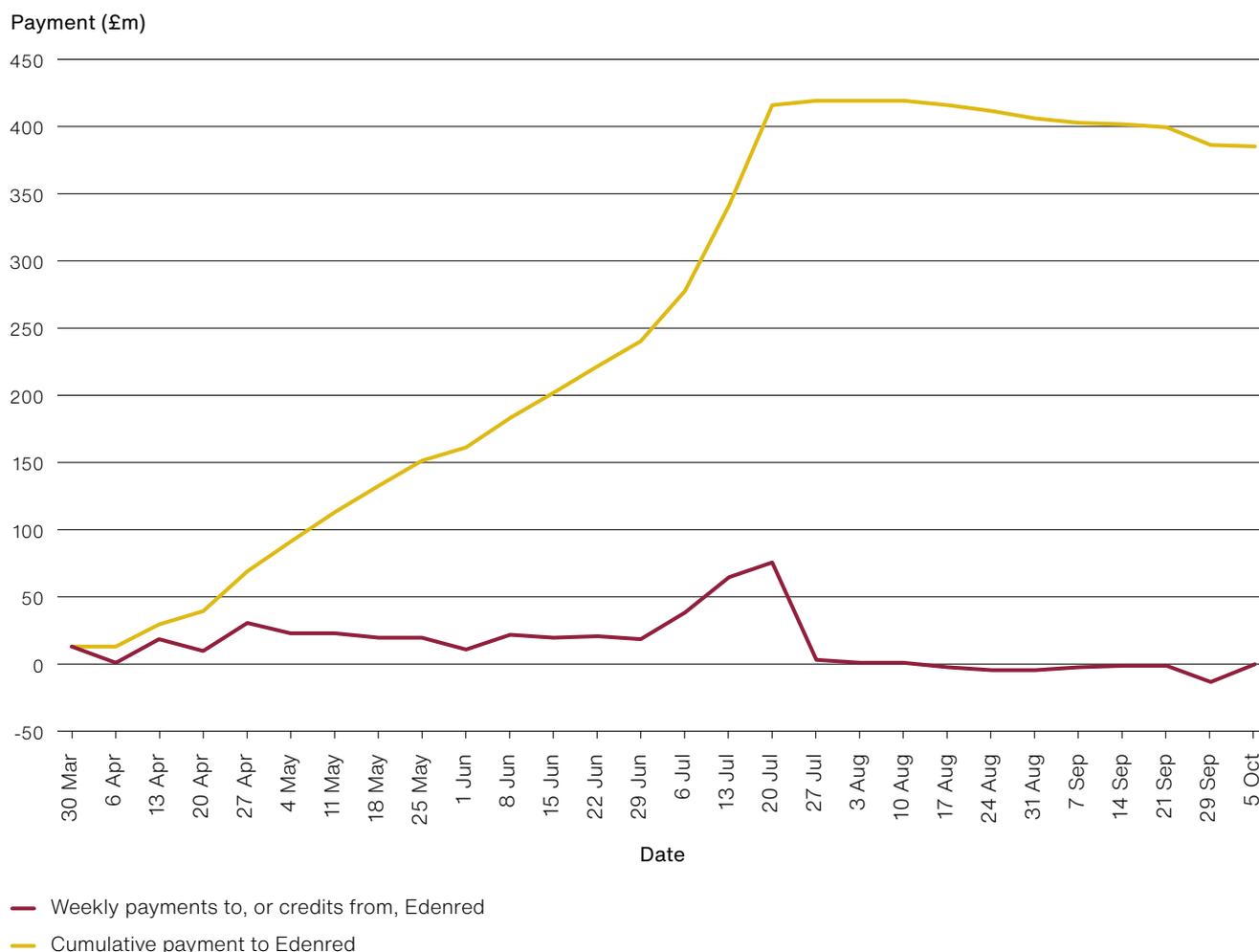
4.9 At 1 September 2020, Edenred had processed orders for eCodes worth £427 million. Of these, some £37 million of eCodes had expired or been cancelled, leaving £389 million of valid eCodes. There was a time lag between Edenred issuing an eCode and parents converting the code into a voucher but, by 1 September 2020, schools and families had converted eCodes worth £381 million into vouchers.

4.10 At 5 October 2020, the Department forecast that the total cost of the scheme, up to the end of December 2020, would be no more than £384 million (81% of the maximum estimated cost assuming 100% take-up over the entire period). This represents the total net amount the Department had paid Edenred by that date. From early August 2020, the weekly value of cancelled or expired eCodes exceeded the value of eCodes issued, and Edenred issued credit invoices to the Department for repayments due (**Figure 10**).

Figure 10

Total cost of the free school meals voucher scheme

At 5 October 2020, the Department for Education (the Department) had paid Edenred £384 million, net of credits for cancelled or expired eCodes



Notes

- 1 On 30 March 2020, the Department made a £12 million prepayment to Edenred. Edenred repaid this amount to the Department on 1 October 2020.
- 2 From early August 2020, the weekly value of cancelled or expired eCodes exceeded the value of eCodes issued, and Edenred issued credit invoices to the Department for repayments due.
- 3 The Department will continue to receive credits for any expired eCodes until December 2020 at the latest.

Source: National Audit Office analysis of Department for Education data

4.11 The Department does not know the value of vouchers that families have used because data are not available from the supermarkets. The vouchers themselves were the supermarkets' existing gift card products – they were not specific to the free school meals voucher scheme. How long the vouchers were valid for after issue varied by supermarket chain. The earliest expiry date was 12 months after issue, for Company Shop Group and Morrisons, and the latest was five years after the last transaction, for Aldi and Tesco.

Other relevant funding for schools

4.12 Alongside the scheme, the Department continued to give schools their normal funding for free school meals. In 2019-20, it allocated schools a notional amount of approximately £11.50 per eligible child per week. This money is part of schools' core funding and is not ringfenced. The Department advised schools to continue paying their catering suppliers for free school meals, if they considered the suppliers to be at risk. Many schools had contractual obligations to pay fixed costs for meals irrespective of children's attendance, and the Department also wanted to reduce the risk of school caterers failing.

4.13 In addition, the Department made extra funding available, via the Education and Skills Funding Agency, to cover exceptional costs that schools incurred in connection with the COVID-19 outbreak. As part of this arrangement, schools could claim for providing meals for eligible children not attending school, outside the voucher scheme. This could include:

- costs arising before the introduction of the national voucher scheme; and
- costs where schools provided free meals to children where there were no local supermarkets participating in the scheme.

4.14 The Department made funding available to schools that were unable to meet additional costs from their existing resources, or to schools that could do so only by drawing on reserves and undermining their long-term financial sustainability. Schools were not able to claim if they began their current financial year with a surplus and expected to increase that surplus in the year. The Department set limits to the maximum amount that any school could claim. During the course of our work, we heard concerns about whether schools would be refunded for all the costs they had incurred if they had purchased vouchers themselves to support pupils eligible for free school meals. For example, the Co-operative Group told us that, because of the restrictions placed on claiming additional financial support, 14 of the 25 schools in the Co-op Academies Trust understood that they were unable to reclaim in full the amount spent on vouchers.

Appendix One

Our investigative approach

1 This investigation examined how the Department for Education (the Department) set up and implemented the free school meals voucher scheme in England during the COVID-19 pandemic, and how much the scheme cost. It was prompted by reports in April 2020 of problems that schools and parents were experiencing using the scheme, including difficulties and delays in getting vouchers. We carried out our fieldwork between June and October 2020.

2 The report covers:

- scheme design, and the Department's procurement of Edenred (UK Group) Ltd (Edenred) to run the scheme;
- scheme performance; and
- scheme costs.

3 The National Audit Office (NAO) has a contract with Edenred to provide a staff benefit scheme. We consider that the NAO's business relationship with Edenred is in the ordinary course of business, at arm's length and not material. The NAO procured the services of Edenred through a single supplier framework, operated by the Crown Commercial Service, which is available to all UK public sector bodies. Edenred began providing services to NAO staff in February 2018 and we do not consider the service as material to either party. Individuals involved in the management or procurement of the contract between the NAO and Edenred had no involvement in this investigation. We shared details of these arrangements with the Department at the start of our work.

Methods

4 In carrying out the investigation, we drew on a variety of evidence sources.

5 We interviewed staff from the Department. The people we interviewed included those responsible for advising on policy relating to the scheme, for oversight of the contract and day-to-day liaison with Edenred. We also interviewed officials in the Department's Commercial Finance team, who were responsible for commercial, procurement and financial management aspects of the scheme.

6 We reviewed published and unpublished information from the Department. These documents included material relating to:

- the Department's communications with the public, including published guidance, updates and press releases;
- user guides for parents and schools published jointly by the Department and Edenred;
- written submissions and transcripts of oral evidence given to the House of Commons Education Committee about the performance of the scheme;
- the contract awarded to Edenred, associated schedules and documents relating to the Crown Commercial Service framework;
- options appraisals and briefing papers;
- economic and financial assessments; and
- details of invoices from, and payments to, Edenred.

7 We analysed management information provided by Edenred to the Department. This information included detailed time-series data showing:

- the number of schools registered to use the scheme;
- the number and value of eCodes ordered, pending and processed;
- the number and value of vouchers issued for each supermarket chain; and
- the number of calls and emails to Edenred's helplines, and the number of calls answered and emails responded to.

8 We reviewed information provided to us by the Crown Commercial Service.

We engaged with relevant officials at the Crown Commercial Service responsible for the framework contract, and reviewed information about the procurement process, Edenred's framework contract and details of its contract with the Department.

9 We interviewed the authorised representative of Edenred, as named in the contract.

We used these interviews to understand what Edenred had done to set up and run the scheme, and what it had done to respond when problems were reported.

10 We reviewed unpublished information provided to us by Edenred.

We did not audit or independently verify the accuracy of this information. These documents included:

- information about scheme performance; and
- results of satisfaction surveys of school administrators and parents that Edenred commissioned Service Monitor to carry out in July 2020.

11 We analysed data on children eligible for free school meals. We used published data on the number and geographical distribution of eligible children collected by the Department as part of its annual school census.

12 We analysed the distribution of supermarket stores relative to schools.

We did this analysis to estimate the distances between schools and supermarkets participating in the scheme. The Department obtained data on the locations of participating supermarket stores from the Department for Environment, Food & Rural Affairs. We did not verify the accuracy of these data. We produced nearest-neighbour analysis comparing these store locations to the locations of all schools. This analysis calculated straight-line distance between postcode centroids, ignoring any physical boundaries such as rivers.

13 We sought the views of supermarkets participating in the scheme, and those of other stakeholders and representative groups. We asked stakeholders for their views, and any supporting evidence they had, on the following issues:

- the Department's objectives and choice of contractor to run the scheme;
- scheme performance; and
- the experience of schools and parents in using the scheme.

14 We interviewed, or received written responses from:

- ASDA;
- the Association of Convenience Stores;
- the Association of Directors of Children's Services;
- the Association of School and College Leaders;
- the British Retail Consortium;
- Child Poverty Action Group;
- the Co-operative Group;
- Feeding Britain;
- the Local Government Association;
- the National Association of Head Teachers;
- Parentkind;
- Tesco;
- Waitrose & Partners; and
- Wonde.

15 We received a small amount of correspondence from local authorities, schools and members of the public about their experience of the scheme.

We used this correspondence to help us understand individual experiences of using the scheme, although this evidence cannot be viewed as representative of all participants.

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