

Written evidence submitted by Edenred UK

Edenred Free School Meals – Education Select Committee submission – update 14 Sep 2020

This is the third iteration of Edenred's written evidence to the Education Committee, providing an update on our progress delivering the scheme including over the course of the summer holiday.

Edenred is proud to support the Government in delivering a free school meal voucher scheme that provides for schools, parents and families during this difficult time.

Since our last submission, key developments include:

- Following the announcement of the COVID Summer Food Fund, we acted quickly to ensure the scheme was well placed to meet the expected surge in demand for the summer holiday.
- We achieved this, and the scheme ran successfully over the full summer holiday period, operating smoothly without queues and not encountering any other technical or operational issues.
- We engaged closely with schools and the DfE in June and July, preparing us to meet the surge in demand for summer holiday orders, following policy guidance to issue a single eCode to cover the six-week period.
- This ensured eligible families could continue to access the vital support, and schools could focus their attention on preparing for the back to school period in September.
- The surge in demand is reflected in the fact that almost half of the total support provided since April was delivered in July alone (£155m).
- We have also commissioned an independent survey of schools and parents to gather a better understanding of their experience using the system, the results of which are below.

Executive Summary – operational overview

- Since May, the scheme has operated with high levels of performance and this has continued over the summer holiday, with the scheme running effectively with no technical issues.
- The scheme has now distributed more than £383m worth of eGift cards to families, including more than £155 delivered to families in July alone.
- The early operational challenges were addressed quickly by significant investment in the system by Edenred, delivering considerable improvements to performance and accessibility for schools and families.
- Through these investments in the system, we essentially eliminated queuing times for users accessing the system throughout May, June, July and August.
- This is a scheme set up expediently which has successfully delivered during the pandemic, providing vital support to schools and families over the past five months.
- Over the course of delivering the scheme, we have been delighted to expand the number of participating retailers, with Iceland and the Company Shop Group joining in June. This followed work by our team and partner organisations and colleagues at the retailers to implement a gift card system across their stores.
- **This scheme has been successful with the total value of public expenditure passed through to families. No public funds were paid to Edenred for the delivery or operation of this scheme.**

Feedback from schools and families

To understand the user experience of schools and parents, and gather feedback on the scheme, Edenred commissioned an independent survey, completed by 3,700+ schools and 187,000+ families seeking their views on the scheme.

Schools note the challenges the scheme faced in the first three weeks, but there is overwhelming recognition the scheme was successful and delivered what was needed after the initial investment.

- The scheme achieved a rating of 4.2 out of 5 for overall satisfaction by schools, compared to 2.6 during the first four weeks.
- 84% of respondents were either satisfied or very satisfied.
- 81% would use the scheme again should the need arise.
- 78% consider the scheme to be a success overall.
- 93% consider the voucher scheme is a good alternative if food cannot be delivered directly to homes.

Families accessing the voucher resoundingly welcomed the support it provided during the pandemic and broadly saw it as a success. The majority found it easy to access and use vouchers.

- The scheme achieved a rating of 4.65 out of 5 for overall satisfaction by parents.
- 94.3% of parents were either satisfied or very satisfied.
- 95.3% considered the scheme to be a success.
- 91.5% found the scheme easy to use.
- 91% found the communications and instructions for the scheme to be easy.
- 91.5% had no problems accessing and using eGift Cards.

Background to free school meals vouchers

We acknowledge that there has been, understandably, considerable interest in the scheme and we have been grateful for the opportunity to submit written evidence to the inquiry on our work delivering free school meal vouchers for schools and families across the country.

Establishment of the scheme

Under normal circumstances, across England, the c.1.3 million children who are eligible and claim for free school meals do so from their schools' cafeteria. Considering the closure of schools due to coronavirus, the government approached Edenred to help deliver a voucher system that would ensure eligible children would not go hungry during these exceptional times.

Edenred already holds expertise in this field, having delivered similar voucher schemes for various clients in the public and private sectors. This includes currently delivering the Crown Commercial Service (CCS) contract to provide employee benefits to several public sector organisations for more than 5 years.

Having delivered the original CCS contract successfully for 4 years, the contract and our status as a key supplier of these types of services was renewed last summer following a rigorous six-month tender process. This process certified key criteria for delivering schemes of this nature, such as information and data security and meant we were well placed to quickly step in when the government enquired about our ability to support the delivery of free school meals vouchers.

Within two and a half weeks of being approached by the DfE, Edenred had designed and rolled-out the system. A scheme of comparable scale would normally take at least 10-12 weeks to rollout, but there was a clear need to act fast to support children and their families.

The scheme is designed so that no money from the public purse is being paid to Edenred. The fees to fund the system come from the participating retailers via a very small percentage of their revenues from the vouchers. Consequently, Edenred provide the service free of charge, with no cost applied to public finances. 100% of the public funds spent on this project by the Government with Edenred is for the families in need.

It is important to note that the vouchers scheme is intended to provide an alternative for schools who couldn't use existing or alternative arrangements with local catering, which would've maintained an 'eyes on' interaction for welfare purposes; it was not mandated or envisaged that all schools would have to use the system. Nevertheless, 18,528 schools (84% of all schools) have used the system so far, with the majority of them using it regularly.

There was also a significant increase in the number of institutions who placed orders at the end of June and beginning of July. This is likely a result of the launch of the COVID Summer Food Fund, as these schools would previously have relied on local food services for free school meal provision.

Because these schools will not have placed orders through the system before, Edenred embarked upon a new process of educating administrators at these schools to use the system effectively. Our engagement with schools and the DfE meant we were well prepared to meet the surge in demand for summer holiday orders, following policy guidance to issue a single eCode to cover the 6-week period. This surge in demand is reflected in the fact that almost half of the total support provided since April was delivered in July alone.

How the scheme works

Schools are invited to access the system and place orders for the volume of free school meals as required for pupils at their schools. Schools are able, and encouraged to, place a single order for all eligible children in their school for a period of up to four weeks.

Following placement of an order, the Edenred system then generates an 'eCode' (a 16-digit number with a monetary value embedded) for each eligible family, which is either sent by email directly to families or is downloaded by the school. Once received, these eCodes then need to be redeemed online against a choice of eGift cards (a digital gift card delivered via email) from participating food retailers. Families can choose the retailer which is most practical and/or closer to their home. The scheme was also set up to enable a school to order the codes on behalf of families and either distribute themselves or redeem on behalf of the families and deliver the eGift Card to them direct.

In order for a retailer to join the scheme, they must have a digital gift card system already in operation that can be processed in every one of their stores. Clearly the more retailers participating, the better, in order to maximise choice for families. Whilst this is beyond Edenred's direct control, we have worked extremely hard with retailers to expand the programme to a greater range of stores. Our team spent considerable time at the end of May to help both Iceland and the Company Shop Group, to implement a new eGift Card system across their stores. This follows our efforts to support the onboarding of Aldi and McColl's in April, who join other supermarkets already on the scheme (Morrisons, Tesco, Sainsbury's, Asda, Waitrose and M&S).

Responding to early challenges

It was a significant challenge to build and set up a scheme of this magnitude in just two weeks. We recognised this was an unprecedented and unique circumstance, and we had to do our part to help. We also planned to use the Easter school holiday as a period for operational developments. The decision for Easter Holidays to be covered by the scheme also contributed to unprecedented demand on the system in an exceptionally short time period. We understand this led to some schools and families facing difficulties in accessing the system early on in its operation and waiting longer than we would have liked to receive eGift cards.

We are pleased to confirm that we have made significant and swift improvements to the scheme, drawing on the expertise of our IT team, supported by external consultants, which have led to a transformation in efficiency and user experience. This can be split into two broad areas: major improvements to platform accessibility for both schools and parents; and a significant acceleration of the speed with which we are processing huge volumes of orders from schools and distributing e-gift cards to parents.

These improvements have included:

- Strong investment in IT software, and infrastructure to speed up the global performance of the system and ensure its stability thus enabling faster access for schools and parents. This has led to a significant reduction in queue times, the acceleration of order processing, eCode generation and distribution, and eGift Card delivery. This is all demonstrated by large performance increases throughout May, which we have sustained through June and July.
- Commissioning external technical support from solution architects at a world leading IT company;

- Investing in and implementing an artificial intelligence email response system that is now able to resolve 90% of queries first time;
- A new, dedicated external helpdesk resource which has significantly sped up our ability to process and resolve phone queries;
- Establishing a dedicated team to liaise with and support schools;
- Maintaining a regular and ongoing dialogue with schools to provide clear guidance on the ordering process and encourage schools to ensure accurate data is provided for families (we rely on schools to ensure accurate email addresses for families are provided);
- Introducing a dedicated hotline for MPs to escalate constituent queries;
- Working to bring on board additional retailers to widen the options available to families.

This is all on top of the round the clock work of our team on a programme of continuous improvements to speed up our ability to process orders and distribute eCodes and redeemed eGift vouchers. All these investments to improve the system have been made by Edenred at no expense to the public purse.

Performance improvements

These improvements have contributed to a dramatic increase in performance and customer satisfaction during the months since May, with vast improvements when compared to April. Earlier submissions to the Committee have provided a more detailed breakdown, but the table below sets out the headline numbers for support delivered to families since the scheme was launched.

Support provided to families – headline numbers	
Total number of schools that have ordered from the scheme:	More than 20,350
Total value of eCodes redeemed by parents and schools:	£383,910,170
Equivalent total number of weekly £15 FSM allowances:	25,594,011
Equivalent number of meals delivered to eligible children:	131,303,390

Over the course of delivering the scheme, we have distributed more than £383 million worth of eGift cards to families. In real terms this equates to nearly 26 million weekly allowances, and the equivalent of more than 131.3 million individual meals for eligible children.

Further to the increased speed and volume at which we were processing orders, Edenred also oversaw a vast improvement in the accessibility of the platform and made continuous improvements to its efficiency. The issues that some schools and families experienced in the early days of the scheme had been comprehensively addressed by the end of May. We are pleased to confirm that waiting times for schools and families were virtually eliminated. Furthermore, inbound customer service enquiries remained consistently low and there was a dramatic drop in calls and emails to our dedicated MP hotline.

This is a scheme set up expediently which has successfully delivered during the pandemic, providing vital support to schools and families over the past five months. Furthermore, this has all been achieved at no cost to the public purse, with the total value of public expenditure passed through to families.

About Edenred

Edenred is a leading services and payments platform and the everyday companion for people at work, connecting 50 million employees and 2 million partner merchants in 46 countries via more than 850,000 corporate clients.

Edenred offers specific-purpose payment solutions for food (meal vouchers), fleet and mobility (fuel cards, commuter vouchers), incentives (gift vouchers, employee engagement platforms) and corporate payments (virtual cards). These solutions enhance employee well-being and purchasing power, improve companies' attractiveness and efficiency, and vitalise the employment market and the local economy.

Edenred's 10,000 employees are committed to making the world of work a connected ecosystem that is safer, more efficient and more user-friendly every day. In 2019, thanks to its global technology assets, the Group managed €31 billion in business volume, primarily carried out via mobile applications, online platforms and cards.

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