

Written evidence submitted by Edenred UK

Edenred Free School Meals – Education Select Committee submission

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. Given the Committee's interest in the scheme, which has understandably been a subject of public interest, we thought it appropriate to provide the Committee with an update on the scheme, our work to continuously improve its performance and our priorities going forward.

Executive Summary

- Within two and a half weeks of being approached by the Department for Education (DfE), Edenred had designed, built and rolled-out a bespoke national voucher system to ensure children up and down the country would continue to have access to funding for free school meals whilst school closures continue.
- Typically, a platform like this for a programme of this magnitude would take much longer to roll-out, but given the urgency, we delivered this new platform in this very short period as requested. Since launch, we have made significant investments in improving the system, and are witnessing the benefits of such investment.
- Edenred made major performance improvements from April to May with:
 - An 83% increase in the volume of eGift cards distributed to parents (forecast to be +100% by end of May)
 - A 75% reduction in the number of inbound telephone calls to our helpdesk and 43% reduction in the number of inbound emails
 - Almost a complete elimination of queue times for schools and families to access the system
- The value of support in May is already more than double that of April, with more than 17,500 schools placing orders and over £110 million worth of supermarket e-gift cards distributed to schools and families.
- The value of eGift cards distributed to families to date equates to 7.34 million weekly allowances, and the equivalent of 36.6 million individual meal baskets for eligible children.

Background to free school meals vouchers

We acknowledge that there is, understandably, considerable interest in the scheme and are 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, 17,518 schools - more than 80 per cent of all schools – have used the system so far, with the majority of them using it regularly. This volume did present some operational challenges early on, particularly when the scheme was extended at short notice to cover the Easter school holiday. Our team has worked tirelessly ever since launch to ensure any teething problems with the system are rectified so it can operate as intended.

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 April to help both Aldi and McColl's implement a new eGift Card solution and onboard the programme and 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.
- 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 month of May, with vast improvements when compared to April. Some of the key metrics setting out this transformation are as follows:

	April 2020	May 2020	% change
Number of orders placed/processed:	75,719	120,742	59.5%
Number of eCodes distributed	2,530,491	3,070,080	21.3%
Total value of support provided to families	£39,467,902	£72,354,980	83.3%

As a result of these improvements, since the scheme began, we have now distributed more than £110 million of eGift cards to families. In real life terms this equates to 7.34 million weekly allowances, and the equivalent of 36.6 million individual meals for eligible children.

Further to the increased speed and volume at which we are processing orders, Edenred has also overseen 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 have now been comprehensively addressed. We are pleased to confirm that:

- The average waiting time for schools to place orders is now consistently under one-minute, and less for parents waiting to redeem codes into eGift cards site – there are now prolonged periods with no waiting times at all and we are on course to maintain this throughout June;
- Overall inbound customer service enquiries are consistently falling week on week – we have now seen an 43% per cent drop in inbound emails in May versus April, and 75% per cent drop in calls, further signs that user needs are being addressed by improvements to the system; and
- We have also seen a dramatic drop in calls and emails to our dedicated MP hotline;
- We continue to engage regularly with schools with information, tips and FAQs to ensure the scheme is being used in the most effective and efficient manner that maximises the speed of valuable support reaching families.

Finally, improvements to the efficiency and speed of the system mean we are now processing the vast majority of orders from schools and distributing the relevant eCodes within one day, often on the same day they are placed.

This all points towards a system that is delivering for schools and, most importantly, eligible families and children.

Priorities going forward

Looking ahead to June, Edenred has two main priorities:

- Continued engagement with schools, including working with schools to encourage them to provide accurate information and ensure the scheme is used as efficiently as possible;
- Maintaining and building on May's performance improvements as we seek to continue to deliver for families and schools.

We are pleased with the progress we have made to the system over such a short period and we remain determined to keep improving its operation for schools and families, including the elimination of queues entirely. To this end, our team is working around the clock seven days a week to improve the system further and ensure families receive the valuable support they need.

Edenred has been working collaboratively and constructively with ministers and officials at the DfE; their support and collaboration has been extremely welcome. We have of course been providing regular updates to them on our progress and we have been very pleased with the positive working relationship they have established with our team.

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 vitalize 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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