



Department  
of Health &  
Social Care

## Request for Information

**Project: DHSC Nursery Milk Scheme**  
**Reference: C100213**

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## **1.0 Introduction**

The Department of Health and Social Care ('The Authority') wishes to gain further insight into the UK liquid milk market, and specifically for liquid milk supplied to Early Years childcare settings such as childminders, nurseries and schools.

This is a Request for Information (RFI) only. This RFI is issued solely for information and planning purposes – it does not constitute an Invitation to Tender (ITT) or a promise to issue an ITT in the future. This RFI does not commit the Authority to contract for any supply or service whatsoever.

Further, the Authority is not at this time seeking proposals and will not accept unsolicited proposals. The Authority will not pay for any information or administrative costs incurred in response to this RFI; all costs associated with responding to this RFI will be solely at the interested party's expense, by responding to the RFI the responder accepts these terms. Responding or not responding to this RFI does not preclude participation in any potential future ITT, if any is issued.

The information provided in the RFI is subject to change and is not binding on the Authority. The Authority has not made a commitment to procure any services and release of this RFI should not be construed as such a commitment or as authorisation, to incur cost for which reimbursement would be required or sought.

Please highlight any commercially sensitive information that is sent to the Authority. Any commercially sensitive information will not be shared outside of the Authority.

## **2.0 Background to the Requirement**

DHSC are responsible for the Nursery Milk Scheme (NMS). The Nursery Milk Scheme (NMS) is a statutory scheme which allows Early Years childcare settings which are registered under the scheme to reclaim the cost of providing one-third of a pint of plain cow's milk daily to children under the age of five, who attend the setting for at least two hours a day. All children who meet these criteria are eligible, regardless of the income of their parents or carers. Childcare settings are not required to only use certain suppliers, they have a free choice of where to source their milk. Settings typically purchase from the following types of supplier:-

- Large supermarkets (either in person or online);
- Smaller local shops (either small branches of supermarkets or convenience stores);
- Wholesale food and drink suppliers ;
- Milk rounds.

Childcare settings using these types of supplier will pay their supplier and then reclaim the cost from the NMS.

However, the majority of childcare settings use a particular type of specialist supplier, known as a 'milk agent'. The current process for using milk agents is as follows; the Childcare settings will sign up with a milk agent and order milk directly from the agent, the milk agent will deliver milk to the Childcare setting in accordance with the order, the milk agent will submit a claim for reimbursement for that milk supplied to the NMS, and reimbursement will be paid from the NMS directly to that milk agent.

It should be noted that Childcare settings do not pay the agent for milk supplied, that responsibility is deferred to the Authority through the NMS.

Companies who wish to become milk agents must register with the NMS before they can operate.

### **3.0 The Requirement**

The Authority would like to gain a better understanding of the dairy market in the UK, and especially the market for liquid milk, therefore, if the Authority decides to issue an ITT in the future, the Authority may require a research partner to deliver the following;

- i. A detailed description of the dairy market in the UK, covering the products produced in the UK, the products produced and sold in the UK, and products imported into the UK;
- ii. A detailed description of the supply chain, covering the roles of producers, processors, wholesalers, retailers and other suppliers (including those mentioned in the Background section above);
- iii. An analysis of the market in England and Wales for liquid milk, including costs and profitability of players in each part of the supply chain;
- iv. An analysis/forecast of the liquid milk market in England and Wales (or the UK) for the next ten years, covering sales, costs, challenges, and profitability, and any particular challenges likely to be faced by players in the supply chain;
- v. An analysis of specialist milk suppliers/retailers (principally milk agents, but may also include milk rounds) operating in England and Wales – what portion of their business is accounted for by the Nursery Milk Scheme, what profits do they currently make, and what would be the opportunities and challenges for them in terms of making sales outside the current Nursery Milk Scheme;
- vi. An analysis of those suppliers, principally local dairies, who currently supply childcare settings via contracts with specialist milk suppliers, and the opportunities and challenges which may exist for them to sell their product, apart from via the specialist milk suppliers.

The Authority would like the final report of the requirements to be delivered by December 2022. This an indicative date to help with the responses to the RFI, this date is subject to change and is not binding on the Authority. It should be noted that no recommendations are sought, or should be made, about any aspect of Government policy on the dairy market or the Nursery Milk Scheme.

## 4.0 Requested Information

Please provide responses to the following questions:

1. The Authority may require data to understand market capacity and capability to deliver the requirements, could interested suppliers please confirm if they have the capability and capacity to deliver the requirements by December 2022?
2. To support our internal benchmarking process, the Authority would like to understand the potential cost implications when undertaking such a requirement, could supplier share their insights into costing a project of this size, nature and scope?
3. To inform the Authority's understanding of the supplier market, could suppliers confirm their level of interest in delivering the requirements and also identify any potential barriers and/or challenges to delivering the requirements?
4. The authority is unclear on the potential data collection methodology, would supplier identify what methodologies could be used to capture the insights of early years settings on the liquid milk market in England and Wales?

## 5.0 Responses

Interested parties are requested to respond to this RFI in the following format:

- Arial size 12
- Responses must be submitted using Microsoft Word or PDF.

Responses are due no later than **30<sup>th</sup> September 2020 at 17:00.**

All responses must be submitted to the Pre-Market Engagement envelope via the e-procurement portal.

Your response should also include the following information:

- Organisations' name
- Organisations' address
- Contact name
- Telephone number for contact
- E-mail address for contact

## 6.0 Clarifications

If you require clarification on any part of this RFI please use the messaging center function on the e-procurement portal. Please note that the deadline for clarification questions is **12<sup>th</sup> September 2022 at 17:00** and they may not be answered after this point.