



# **North East Land Links: Final Report for the Countryside Agency.**

## **Section 2: Sustainable Public Sector Food Procurement**

### **2.0 Introduction**

NELL and its predecessor (the GNF LMI) pursued an interest in public sector procurement throughout the course of the project. Mainly, though not exclusively our interest has been in food procurement. The work was initially prompted by a desire to identify significant markets for non-speciality local and regional food producers, we were also influenced by the work of other organisations (Sustain, New Economics Foundation), which demonstrates that increasing the proportion of local foodstuffs purchased by the public sector could deliver significant environmental and indirect as well as direct economic benefits to the regional economy.

Interest in the role of public procurement as a mechanism for securing sustainable development objectives has risen sharply up the political agenda during the period NELL was involved in this area of work. In September 2003 DEFRA launched the Public Sector Food Procurement Initiative, as a result of the work NELL had undertaken in this field Bill Kirkup was appointed the regional lead by the regional Sustainable Farming and Food Strategy group. From this point NELL adopted the principal objectives of the PSFPI and tailored its activity to reflect this.

In addition to its regional activity the project has established a national profile in this area of work and has contributed to national debates, projects and publications involving a variety of bodies including DEFRA, North East Centre of Excellence (in its guise as national lead on sustainable procurement for the regional centres of excellence), FoodLinks Uk, Sustain and the New Economics Foundation.

Work initiated by NELL on local authority food procurement will continue as the project has been successful in catalysing significant interest in this topic. A new regional co-ordinator has been appointed, their activity will be guided by reports which NELL has produced or commissioned and they will work with regional groups established by NELL such as the PSFPI working group and the Food and Health forum.

### **2.1 Discussion**

Following the launch of the Public Sector Food Procurement Initiative NELL planned its work with a view to enabling their attainment within the region. The five main objectives of the PSFPI are;

1. Raise production and process standards
2. Increase tenders from small and local producers
3. Increase consumption of healthy and nutritious food
4. Reduce adverse environmental impacts of production and supply
5. Increase capacity of small and local suppliers to meet demand.

The NELL report 'A Review of Local Authority Food Procurement Practices in the North East of England', describes in detail how in our view the region might most effectively achieve progress against these objectives.

Effectively we have recommended that three distinct forms of work be undertaken.

Firstly, and as a priority, work should be undertaken to ensure that there is a positive 'demand pull', by this we mean that the nature of the market should be moulded as far as possible to ensure alignment with regional production. In practical terms this can be most effectively achieved by ensuring that menus take into account the seasonal variations in availability of regional produce and the limited range of foodstuffs which is, or could be made, available. NELL has widely advocated work on menu development and work on this will be taken forward by the regional co-ordinator (see below) and the Food and Health forum (see below). Critically new menus must be acceptable to the ultimate consumer, meet appropriate nutritional standards and fall within acceptable price structures. Work on marketing, including taste tasting and costing of new menus will be required and NELL has undertaken some preliminary development work in these areas which will pass on to the new regional co-ordinator.

Secondly, work is required to ensure that the procurement process does not represent a barrier to smaller suppliers and that environmental sustainability is appropriately embedded. The work on the Darlington Food Tender document (see below) was undertaken with a view to demonstrating how the process, and consequently public sector business might be made more accessible to smaller suppliers and with a view of improving the environmental sustainability of the process, for example reducing the frequency of deliveries. It is intended that this work will lead to the development of a generic regional food tender document.

A Supplier Capacity Study (see below) was commissioned in recognition of the fact that efforts to attract more small and medium sized enterprises to compete for public sector business have met with limited success. Its aim was to determine how to increase competition for business from the regional supplier base. This work will help to inform work on the procurement process, as it sought suppliers views on how this might be improved, but will primarily assist those support agencies who aim to assist in developing the supply chain. This is the third main area of work referred to. It is perhaps worth emphasising that in our view work on supply chains should only be undertaken once a full analysis of the market has been developed.

## **2.2 Key Points**

- Work on the Public Sector Procurement Initiative or other sustainable procurement initiatives should be planned and pursued with full recognition of the wider policy context. We found that our work was better received and more progress has been made once we started presenting it in the context of what, for buyers, are more significant policy agendas. For example the National Procurement Strategy and the Gershon Efficiency agenda. In simple terms our policy is to identify what is in it for them.

The PSFPI is a cross cutting initiative, rather than pursue it as the PSFPI our strategy has been to dislocate it and embed or correlate its objectives with other more significant policy agendas. For example, we are pursuing objective 3 (healthy eating) and our menu development work by linking it with

more fundamental work emerging on school meals being pursued by the School Food Trust, DFES and others.

- We identified a clear need for a dedicated staff resource to develop this agenda. It is debateable whether much progress would have been made on this agenda in the absence of NELL except in isolated cases where individuals have taken action as a result of a personal interest. An idiosyncratic ad hoc response to the PSFPI can be identified across England. We would suggest that this is because;
  - buyers do not have to respond
  - buyers lack the knowledge to respond effectively
  - whilst information is available it is either not been accessed or is inappropriate to their needs
  - there is a lack both of ownership of the agenda and leadership. The cross cutting nature of the initiative has in many areas precluded any one public sector organisation from taking ownership and third sector organisations are pre-eminent in several parts of the country in taking work forward.

We would suggest that the responsibility for cross cutting initiatives of this type need to be clearly assigned and that those to whom leadership is assigned should be free to operate across organisational, professional, sectoral and other boundaries and not be constrained by the agendas of their parent or funding organisation.

- Sustainable procurement work should not just focus on the product and its inherent characteristics, but also on the processes involved in the procurement and supply of the product. For example, following work undertaken with Darlington Borough Council an organic milk supplier displaced a supplier of conventional milk. This represented an environmental gain, however perhaps of greater overall environmental significance are the gains made through persuading the council to accept a reduction in the frequency of deliveries of their food products.
- Our work on this initiative demonstrates that the concept of sustainable development is not well understood. Depending upon the background of individuals involved and the agendas of their organisations there is a tendency to focus on one at best two of the three pillars of SD. There is a widespread assumption that you cannot at the same time achieve against economic, social and environmental objectives. We would suggest that the experience of organisations working on the PSFPI demonstrates that you can and that this should be promoted.
- Work on sustainable procurement has relevance to work have undertaken on waste and considered in respect of non food crops. Whilst we are concentrating on food the possibility exists to look at public procurement as a mechanism for establishing markets for a range of products, for example products which have used waste or 'industrial' crops as their feedstock.

### **2.3 Main Project Outcomes**

- Local Producer handbook July 2002

The idea for this came from the GNF LMI and the project manager helped input material and steer its development. Production of the booklet was undertaken by staff from the Countryside Agency.

- Conference; Public Procurement of Food in the North East. 11<sup>th</sup> December 2002.

This event was organised by the GNF LMI in conjunction with Sustain. It attracted over sixty delegates. Public sector food procurement was not at that time a policy issue though third sector organisations were lobbying for change. It had been anticipated that an awareness raising event of this kind would stimulate activity by organisations such as the regional development agency. This however did not occur, though it did raise awareness of our interest in this area which latterly allowed us to access resources. Several catering managers subsequently approached the GNF LMI and were provided with copies of the local producers handbook, one (from Newcastle City Council) is known to have increased their use of local suppliers in their functions catering as a result.

- Public Sector Food Procurement featured as a key work area within the regional Sustainable Farming and Food Strategy. July 2003.

As a consequence of increased awareness of the potential market opportunity represented by public sector food procurement it was listed as a priority work area in the regional Sustainable Farming and Food Strategy. Bill Kirkup of NELL had a lead role in drafting the section on food procurement and was appointed regional lead for this area of work, he continued to act in this capacity until the end of the NELL project.

- Food in Schools events April 2004

Two conferences on 'Food in Schools- *can we improve it, can we source it locally, can we get children to eat it?*' ran on the 22<sup>nd</sup> and 23<sup>rd</sup> of April 2004. One was run in Newcastle, this attracted eighty delegates, the other, held in Middlesbrough, was attended by sixty.

- Funding secured for work on a regional baseline study of current local authority food procurement practices. May 2004.

NELL secured funding from One North East and the regional development agency and the Countryside Agency to pay for a project officer (Janine Ogilvie) to work with Bill Kirkup on the production of a baseline study of then current local authority food procurement activities. This had been highlighted as a priority issue in the regional SFFS chapter on food procurement. Work commenced on this study in July 2004.

- Darlington Food Tender. January 2005.

Funding was secured from the regional Sustainable Farming and Food Strategy Group to work with Darlington Borough Council on the production of a 'model' food tender document. This work was led by Janine Ogilvie of NELL.

This went live in April 2005 and contracts have now been awarded.

The document is based on an existing tender but contains twenty six amendments related to the PSFPI. We attempted to achieve against PSFPI objectives in three ways,

- By making the market more accessible to smaller producers.

For example: The opportunity was made available for suppliers to bid for eggs on a stand alone basis rather than as part of a general groceries contract.

- Pursuing sustainability directly through changes in current local authority practice or procedure.

For example: The delivery schedule has been changed to reduce the overall number of journeys required. This both reduces overall food miles but also helps to make the contract more accessible to smaller suppliers with more limited delivery capacity.

- Require suppliers to work with local authority on future improvements.

Businesses submitting tenders are required to fill in a method statement explaining how they will help the council to achieve against the five main objectives of the PSFPI and two related Community Strategy objectives.

## **2.4 Significant Outcomes**

- An organic milk supplier won the milk contract (on price as well as quality) in direct competition with a major national competitor offering conventional milk.
- A large comprehensive school has returned to using the local authorities catering service.
- The winners of the fresh fruit and vegetables and meat contracts have agreed to work with the council on several issues relating to the PSFPI.

One of our principle objectives was to produce a document which could be used as the basis of a standard food tender document by other local authorities and conceivably also other public sector organisations in the region. We have disseminated the document widely and are aware that it has influenced work in several parts of the country. Within the region Durham County Council and Gateshead Council have both expressed an interest in using this document.

### **- Training Workshop: Public Sector Food Procurement Initiative. 18<sup>th</sup> March 2005**

NELL organised this event in conjunction with the Environment and Rural Team from Government Office North East. Funding came from DEFRA's Food Procurement Unit.

### **- NELL report . 'A Review of Local Authority Food Procurement in the North East of England. June 2005.**

This report was produced by NELL in June 2005 with the aid of funding secured from the regional development agency. Its aim was to establish a baseline understanding of current local authority food procurement practices and the influences which formed such practices. On the basis of this information a series of recommendations were made as to how the region might achieve against the objectives of the Public Sector Food Procurement Initiative. Several of these recommendations have been actioned, these are described below.

### **- Regional PSFPI Event: 7<sup>th</sup> July 2005**

The purpose of this meeting was to provide an opportunity to present the proposals for action contained in the report on local authority food procurement and to review

the outcomes from the Darlington pilot project. One of the main outcomes of the meeting was to agree to the NELL proposal to establish a regional PSFPI working group.

- First meeting of regional PSFPI working group 3rd October 2005.

This group was chaired by Bill Kirkup of NELL until July 2006. The first meeting of the group took place on the 3<sup>rd</sup> of October. The group meets quarterly, a de facto steering group has emerged consisting of the North East Centre of Excellence (NECE), Government Office North East (GONE) (Environment and Rural Team), One North East and the National Farmers Union, this group has agreed to ensure the continuation of activity post NELL.

In addition to the above membership of the group include representatives of the following organisations, GONE (Public Health team), One North East, English Food and Farming Partnerships, Northumbrian Larder, Northumberland County Council, North East Purchasing Organisation, Newcastle City Council, Business Link (FBAS) and NHS Purchasing and Supply Agency.

It has been agreed that this group will act as a sub group under the umbrella of the emergent Regional Public Sector Procurement steering group.

- Food and Health Forum established. Launch event February 2006.

Following the production of the report on local authority food procurement in June 2005, NELL approached the Food and Health Manager at the Public Health team at GONE and proposed the establishment of a Food and Health forum in line with a recommendation made in the report. The views of colleagues from other organisations (most notably the Regional Healthy Schools Co-ordinator) were sought and it was agreed to form a steering group to take this matter forward.

The idea for a regional working group was formally proposed at a public event entitled Transforming School Meals-Linking Policy and Practice (funding for the event was secured via DEFRA's Food Procurement Unit). A working group consisting of staff from NELL, GONE, Healthy Schools, Durham County Council, North Tyneside Council and LACA (Local Authority Catering Association) has now been established and a series of, meetings and events for 2006 has been proposed and agreed by this group.

NELL sought to catalyse the establishment of this group as a means of tackling Objective 3 of the PSFPI, it is also intended to pursue the issue of menu development through this group.

- Supplier Capacity Study and development of a regional supplier database. May 2006

Funding for this study was secured from the North East Centre of Excellence and DEFRA's Food Procurement Unit. The need for this work was identified by NELL in its report on local authority food procurement. The aims and objectives of the study are described fully in the tender document. In brief the study was commissioned to establish who and where potential regional food suppliers are, and in particular the factors which affect their willingness and ability to do business with the public sector. Its findings will be used to inform regional public sector buyers and to assist organizations such as Business Link, the regional development agency, NECE and others to target the assistance they offer to regional SME's.

- Report: Transforming School Meals-Linking Policy and Practice. June 2006.

A report based on feedback from a series of workshops run at this event was produced in June 2006.

- Appointment of a regional PSFPI Co-ordinator. July 2006.

One of the principal recommendations in the NELL report was that there was a need for a dedicated regional facilitator. In response the North East Centre of Excellence and One North East have agreed to fund a two year post to take forward the work initiated by NELL. Bill Kirkup will take this post up on the 10<sup>th</sup> of July 2006. The post will be hosted by the North East Centre of Excellence and line managed by their Director, it will be steered by a group composed of staff from One North East, GONE and the NFU.

## **2.5 Key Documents**

- Conference report; Public Procurement of Food in the North East. December 11<sup>th</sup>.
- A Delivery Plan for Implementing the Strategy for Sustainable Farming and Food in the North East Region. First Edition July 2003.
- Training Workshop Programme: Public Sector Food Procurement Initiative. March 18<sup>th</sup> 2005.
- Darlington Food Tender. March 2005.
- A Review of local authority food procurement in the north east of England. June 2005.
- Public Sector Food Procurement Initiative:Supplier Capacity Study. April 2006
- Transforming School Meals- Linking Policy and Practice. June 2006.

**Prepared by:  
Bill Kirkup  
NELL Project Manager  
August 2006**