

Please note that this paper has been produced by Mike Rimmington and Jane Carlton Smith from the Department of Hospitality, Leisure and Tourism Management, Oxford Brookes University Business School.

While its content contributed to our thinking in producing our report 'Smarter food procurement in the public sector' (HC 963-I, Session 2005-2006), the views expressed in this paper are the authors' own and not necessarily those of the National Audit Office.

SMARTER FOOD PROCUREMENT IN THE PUBLIC SECTOR - DOES IT CATER FOR SUSTAINABILITY?

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Executive Summary

This report assesses the extent to which the public sector is adopting a sustainable approach in its food procurement and catering services. It evaluates current obstacles to a sustainable approach and also identifies opportunities, based on consideration of good practice examples. Recommendations for changes in practice are made that can help bring about further progress.

Public sector catering services include provision for schools, higher and further education establishments, police, prisons, local authorities, and Ministry of Defence establishments. In total the catering services are estimated to procure food supplies to an annual value of around £2 billion. They therefore represent an opportunity to target expenditure and develop practice in a way that will further Governments sustainable development policies.

A broad definition of sustainable food is adopted by this report. This incorporates the potential for furthering social and cultural objectives as part of catering service provision. Of course the use of food from low impact and organic farming systems that support high animal welfare and environmental standards is central to a sustainable approach. Preferably food procurement should also minimize food miles, though support of international development through fair trade is also part of a sustainable approach.

Responsibility for public sector catering is divided amongst a number of Government departments and a wide range of direct catering service providers and private catering contractors are involved. Catering services are provided in a large number of widely dispersed facilities. Governance and management is therefore complex and changing practice will take time. The newly formed Sustainable Procurement Task Force will play an important role and the food procurement team at DEFRA will continue to be crucial to the championing of good practice.

Public sector catering is often provided using technological catering systems that utilize "added value" food. For example, perhaps 40% of hospital catering is based on the regeneration of pre-prepared chilled and frozen meals, either purchased from large suppliers or produced in factory like "central production unit" kitchens which may supply

a number of facilities. There are case studies demonstrating the potential for local and regional sourcing of ingredients, alongside good environmental management practice, with savings in energy consumption, and the reduction of packaging waste, in such units. Many hospital catering managers take great pride in producing palatable, healthy and sustainable meals for their patients, whether using regeneration technology or more conventional cooking methods. However, they face considerable challenges, in the face of limited budgets, loss of purchasing autonomy as a result of the pursuit of the lowest possible cost option and the threat of contracting out the service to global corporations, increasingly in the form of facilities managers, rather than caterers. This is of course most prevalent in PFI projects. The research suggests that there is considerable scope to make better use of existing hospital facilities to provide nutritious meals to a wider range of customers, both inside and outside the NHS trusts themselves.

The prospects for school catering seem bright at present, with plans to embed the provision of healthy options for pupils, provided they can be persuaded to take up the offer of school meals. There may be scope to copy the independent sector and take a much more rigorous attitude about the type of foods which younger pupils are allowed to bring into school. The publicity generated by Jamie Oliver's TV campaign, whilst producing the short term effect of severely reduced take-up of school meals, has undoubtedly encouraged a move towards better practice quite apart from the Government's own actions.

The major barriers to sustainable procurement are lack of awareness, confusion and lack of accountability and until these are addressed by Government action, sustainable food procurement will continue to be confined within "islands of good practice". The provision of tools to help specifiers to improve sustainable practice represents good use of any funding that is available and the report makes some suggestions to this end.

Given the importance of menu transparency in helping to raise public awareness of food provenance, often, but not always linked with quality and sustainability, public sector organizations should work towards greater transparency as rapidly as possible. Mandatory DEFRA key performance indicators for central Government departments and the suggested KPIs in the DEFRA Catering Services and Food Procurement Toolkit all help towards this aim.

The profile of sustainable food has never been higher in the media and the public sector would be deserving of criticism if it does not respond now to what may be a unique opportunity to raise awareness of the importance of healthy and sustainable food to wellbeing generally.

The report ends on a note of cautious optimism, though there is much work still to do.

Preface

The report has mainly been prepared from information that is in the public domain, although the authors have also been privy to information held by the National Audit Office and DEFRA.

It is based on research carried out over the last two years by the authors.

The authors wish to acknowledge the help given by a large number of people working in public sector catering, for contract caterers, for non-governmental organizations and of course, the food producers themselves, who have all given their time generously to make this research possible. They are too numerous to mention.

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Introduction and definition of sustainable food procurement

Catering services within the public sector are provided for the nation's hospitals, schools, higher and further education establishments, police, prisons, local authorities, and Ministry of Defence establishments. In total the catering services are estimated to procure food supplies to an annual value of between £1.7 and £2.2 billion¹.

These services therefore represent an opportunity to target expenditure in ways that will support Government policy. According to the Department for Environment Food and Rural Affairs (DEFRA)ⁱ

"the Government wants buyers and their internal customers to use this buying power to help deliver the principle aims of the Government's Strategy for Sustainable Farming and Food in England."

At its launch in 2003, the DEFRA "Public Sector Food Procurement Initiative" (PSFPI) was principally concerned with the potential for targeting expenditure towards UK, preferably locally sourced food, produced by small producers, using low input systems that could give additional environmental benefits. Much early attention was focussed on ways that this could be achieved within EU procurement regulations.ⁱⁱ

Consequently, the aims of the PSFPI do not entirely cover the wider view of sustainable food procurement which has been adopted in recent years, whereby sustainable food is defined as food which meets the criteria identified in Table 1. This is illustrated by Lord Bach's² statement in October 2005:

"The PSFPI is helping to promote other government policies on climate change, waste minimization, fairly traded goods, small- and medium-sized enterprises, greater choice for ethnic customers, better conditions for catering staff and thriving, vibrant, and sustainable communities."

The PSFPI objectives do not address all of the sustainability issues of the global food supply chain (summarized in Table 1 under fair prices, fair trade and ethical employment in UK and Overseas) which is a key feature of modern food production and catering systems.

¹ A 2002 DEFRA estimate that is widely quoted estimated the annual procurement value as £1.8 billion. Since then a study in 2004 by Oxford Brookes University into public sector catering in Berkshire, Buckinghamshire and Oxfordshire arrived at a grossed up national value of £2.2 billion and a similar study conducted in Yorkshire and Humberside in 2005 by ADAS and Yorkshire Forward arrived at a grossed up value of £1.7 billion.

² The Minister for Sustainable Farming and Food

Table 1 - Criteria for Defining Sustainable Food

- Promoting good health through a balanced diet and safe food
- Accessible; socially inclusive, affordable and reflecting local communities, culture and seasonality
- Supporting the local economy by buying food from as close by as possible
- Sustainable farming, involving high environmental standards and reduced energy consumption
- Promoting animal welfare and valuing nature and biodiversity
- Fair prices, fair trade and ethical employment in UK and Overseas

Sources: Derived from Sustainable Development Commissionⁱⁱⁱ, Sustain^{iv}, DEFRA^v.

DEFRA's 2005 publication of Draft Contract Model Specification Clauses^{vi}, as part of its Catering Services and Food Procurement Toolkit^{vii} (see Table 2) address all of these criteria, reflecting a widening of policy aspirations beyond the initial scope of the PSFPI's more narrow aims. Much recent public interest has centred on the need for healthy and safe food, particularly in relation to school meals and the growing problem of childhood obesity and early onset diabetes. As well as media interest, the "Choosing Health" White Paper (2004) emphasized the importance of food to the nation's health. The use of processed food with added fat, sugar and salt has been widely identified as a major problem. Many of the initiatives that are seeking to introduce healthier foods also adopt a wider vision of food culture that encompasses additional sustainable food criteria. Sourcing of local supplies and the reconnection of children with the origins of food through visits to well husbanded farms, and school gardens are two examples of this.

Table 2 - Areas Covered by DEFRA 2005 Draft Contract Specification Clauses

- Raising production and process standards
- Increasing opportunities for Small and Local Producers
- Healthy and Safe Food
- Environmental Impacts
- Ethnic Minority Cultural and Religious Diets
- Biodiversity
- Fair Treatment of Suppliers and Fair Trade
- Catering Staff Working Conditions

- Marketing and Merchandising
- Training and Monitoring

Source: DEFRA Catering Services and Food Procurement Toolkit^{viii}

Progressing sustainable practice can involve difficult decisions and some trade-offs. For example, sourcing organic food³ and fair trade food often involves transporting food over longer distances (more food miles). Is this a price worth paying? Delivering choice to different ethnic minorities and food that meets the requirements of different cultural, religious and special diets is perhaps most effectively done through regeneration of pre-prepared meals, particularly in the context of hospital catering. Large scale centralized processing plants may be the most efficient way to prepare these.

The DEFRA draft clauses provide those involved with shaping the strategic direction of public sector catering with the means to specify sustainable choices in invitations to tender and the actual contracts for service. They potentially provide the means to embed choices about sustainable practice as a key feature of catering services in the public sector. This report will provide a litmus test as to how far the sustainability agenda has actually been progressed.

2. Overall assessment of the sustainability of public sector catering and food procurement in England

2.1. Introduction

Public sector catering involves many different *public sector and private sector service providers* and a complex food supply chain. In an effort to secure best value provision, contract caterers have been widely used across the public sub-sectors. Global scale companies such as Compass Group, Sodexo, Aramark and Eloor UK (the big four) operate alongside smaller scale independent regional caterers. According to CatererSearch^{ix}, the UK contract catering market is dominated by Compass and Sodexo, while Aramark and Eloor UK are also significant players. There is no reason to believe that the public sector part of this is any different. The trend towards new investment being linked to PFI initiatives will tend to favour the larger more established caterers with funds to invest, so their market dominance looks set to continue.

Sub sectors of public sector catering include both directly publicly operated and contracted-out provision. Catering operations are spread across many different sites and the supply chain is also complex. Influencing operational practice across

³ According to the Soil Association, 55% of organic food eaten in the UK is imported

thousands of directly operated and contracted-out service outlets is a major challenge and takes time to bring about.

Customers of public sector catering services include many vulnerable groups such as the ill, the very old and the very young. Food safety is therefore a major management issue and Hazard Analysis Critical Control Points⁴ (HACCP) has been widely adopted to ensure safe operation. HACCP is a time consuming and complex task and poses increasing challenges if the number of suppliers are increased, particularly if these operate on a small scale and with less formal technical and management systems. Whether large or small suppliers are used, caterers must have confidence that food is safe.

2.2. Overview

Given the above market, environmental and social factors, sustainable food procurement in the public sector is still in its infancy, two years after the launch of the PSFPI. Among the sub-sectors, school meal provision is likely to lead the field in the immediate future, with recent Government initiatives aimed at stamping out remaining examples of bad practice, such as that illustrated by the TV programme 'Jamie's School Dinners'. Local education authority catering provision provides some leading examples of good sustainable practice, including vital work on nutrition, food intolerances and allergies amongst children, as well as the provision of organic and/or locally sourced food⁵. In the private sector, the global contract caterers continue to dominate the market, though many individual schools have decided to directly manage their own provision.

For the National Health Service, the Purchasing and Supply Agency (PASA) has made great strides in investigating sustainable food procurement, however food provision and services for patients are determined by individual trusts. Amongst these, there are several examples of good practice in terms of local and/or organic sourcing, energy efficient food preparation and greater choice for patients (described in Section 4) and great scope for replicating these practices, provided that sustainable food procurement can be prioritized within the NHS, as trusts gain Foundation status and the autonomy this brings.

Catering for the armed forces has featured a 'Buy British wherever possible' policy for some considerable time. The fact that British suppliers are unable to meet the specification for some types of meat, either in terms of cost or added value (frozen meat) can work against this policy. For example, Welsh lamb producers prefer to sell their prime cuts chilled, to supermarkets, and haven't invested in freezing

⁴ The Hazard Analysis and Critical Control Point System – a structured approach for identifying food safety hazards in food operations, and putting a system in place to control them

⁵ Section 4 of this paper gives more detail on initiatives and case studies

equipment; and Welsh lamb can be up to 80% more expensive than from other sources^x. If all the MoD's meat was sourced in the UK, this would cost approximately £6m per annum more^{xi}. The scope for more sustainable food procurement is affected by the specific requirements for feeding forces in the field and other initiatives to increase choice for consumers, described on page 10.

For the other sub-sectors, sustainable food procurement is lower down the agenda and there is great scope to raise the profile, with initiatives such as work on nutrition and prisoner behaviour^{xii} and the Higher Education Funding Council's strategy and action plan for sustainable development in higher education⁶.

In summary, as will be illustrated later in this paper, local and regional food sourcing (with potential benefits for economic development, food quality, traceability and environmental accreditation, and *possibly* food miles) has dominated the sustainability agenda in public sector food procurement, with other aspects such as catering staff working conditions, energy and water efficiency and waste management enjoying less prominence (as already mentioned, the wider agenda is covered in DEFRA's Catering Services and Food Procurement Toolkit). For example, the pioneering PSFPI case studies tend to be in areas where economic development is either an imperative or where the initiative originated in a local authority economic development department.

The PSFPI sprang from the recommendations of the Policy Commission for Food and Farming and is therefore predicated upon issues around food security (maintaining a thriving farming industry for the future). Some of the impacts of the global food supply chain are addressed by one of its key objectives – "to reduce adverse environmental impacts of production and supply" – however, this does not explicitly mention the social and economic impacts (a fair price for produce, fair wages, treatment of workers including living conditions, exploitation of children etc) of global food procurement⁷.

Ethical procurement also forms part of the sustainable procurement agenda, for example, specifying or accepting sugar produced from UK grown beet as opposed to cane grown in the developing world. The environmental impacts of importing cane sugar must be traded off against support for producers in developing countries, who may have no other source of income. Retail multiples and the larger contract

⁶ including a new section on procurement, responding to feedback as well as to the high profile given to this issue in the Government's new strategy for sustainable development.

⁷ although the Toolkit KPIs⁷ do make reference to Fair Trade foodstuffs.

caterers are setting an example by addressing social and economic issues in the global supply chain⁸ and the PSFPI could follow this lead.

In their review of sustainable procurement in central government^{xiii}, the NAO commented that "Government-wide mechanisms to promote sustainable procurement have focused initially on the environmental aspects of sustainable procurement". There would therefore seem to be scope for using the public sector's purchasing power to address the social and economic impacts associated with the global supply chain.

Further detail on major public sub-sectors is given below.

2.3. Schools

In the schools sector, catering may be operated by direct service organizations linked to county councils or unitary authorities. These increasingly operate on a commercial basis. Organizations such as Hampshire County Council Catering Services (HC3S) have additionally contracted to provide catering services in other counties. Where unitary authorities within a county have opted to use contractors, each unitary authority may have a separate contract with different operators (e.g. Berkshire). Or where there is no county-wide catering service operated by the county council, individual schools are obliged to contract out or provide their own catering service directly (e.g. Buckinghamshire).

Many schools (particularly primary schools) no longer have catering kitchens. Pupils either bring packed lunches or have hot food that is transported in insulated containers from other schools. As shown in 'Jamie's School Dinners', where hot meals are provided, the food service may often involve regeneration of processed food in fryers or combination microwave/convection ovens. In larger schools, pupil choice has resulted in menus including unhealthy but popular options.

Food safety is a major concern of the school catering operators and some require only frozen raw meat to be supplied. This presents practical processing constraints to local supply chains. For example, all meat used by HC3S has to be frozen, and any butcher supplying local meat would have to be able to blast freeze meat for free-flow mince or for meat cubes. Within Hampshire, negotiations are underway to set up a local food hub that will have a kitchen and a freezing unit, which would enable local meat to be used by HC3S.

⁸ Through initiatives such as the UN Global Compact (<http://www.unglobalcompact.org/Portal/Default.asp?>) and the Ethical Trading Initiative (<http://www.ethicaltrade.org/>)

Since the launch of the PSFPI, there has been a considerable surge of interest in school food provision, and a move towards healthier food with reduced fat, salt and sugar. The Fruit in Schools scheme has provided free seasonal fruit to all key stage 1 pupils, though the supply contracts have generally been too large to attract local/regional producers, who may have limited supply capacity⁹. Government has recently announced an increase in per pupil budgeted food cost to 50p per head and nutritional standards are to be introduced. Some schools have decided to operate their own catering provision, where contracts allow. Contractors and multi-site direct service operators have also run programmes to implement healthier food options. Organizations such as the Soil Association (working through the "Food for Life" initiative which it set up) have stepped up support for more healthy provision based on fresh food, locally sourced and sometimes organic.

Overall governance and control of catering services in schools is therefore complex. A move towards more sustainable food supply involves working with many different organizations and arrangements for provision.

2.4. Higher and Further Education

Catering services are both directly operated by university catering providers and contracted out to organizations such as Scolarest/Chartwell (Compass Group). Where food service is contracted out, contractors have often invested in production equipment and refurbishment of front of house eating areas, in exchange for longer term contracts. Many new university accommodation facilities have been provided through Private Finance Initiative (PFI) procurement. These often involve self catering facilities that have reduced the extent of university meal provision.

Large contractors have national procurement contracts and increasingly directly source supplies from Europe and South America. National distribution contracts with companies such as 3663 and Brakes involve multi-drops¹⁰ of different commodity groups via temperature controlled light goods vehicles. This can be efficient in terms of total delivery miles per kilo, even though the vehicles operate out of central distribution depots that may be distant from the catering site.

Some universities which operate their own catering services have long established, regionally based supplier links. Regionally based catering butchers supplying these Universities may have direct links with local farms and often obtain much of their supply from the nearest abattoir. Though these are diminished in number as a result of enhanced investment and inspection requirements, this means meat supply

⁹ In letting the supply contracts, the Department of Health went to considerable lengths to attract regional suppliers

¹⁰ This is where one vehicle carries a variety of different food commodity groups, thereby reducing the total number of deliveries.

can be locally reared, even if this is not specified. Universities are also involved in relatively up-market catering for conferences and special events. This is one of the few areas where public sector budgets may be more generous, allowing the purchase of higher quality ingredients.

The existence of regional suppliers should not be confused with the implementation of sustainable food policies. The University Caterers Organization (TUCO) has over 130 members involved in directly operated higher education catering provision and the development of **national supply agreements** is an important current priority. The editor of TUCO's news service recently posed the rhetorical question "how many of us have heard of the PSFPI? I suspect very few".

As with Schools, provision within universities has increasingly focussed on providing choice to customers. Contractors have often tackled this by introducing branded outlets within food courts. These involve standardized provision and often the use of added value supplies that allow food to be assembled or regenerated on site, rather than prepared from basic ingredients. As the student population becomes increasingly diverse, with over 275,000 overseas students in the UK^{xiv}, it will become even more important to offer food choices which satisfy ethnically and culturally diverse customers. The role of 'added value' meals and technological solutions in the food offer is not to be underestimated.

Further Education catering provision is often based around snack items. Confectionery and beverages can account for around half the sales. Many of these items might not be considered healthy and the opportunity for serving sustainable food is reduced.

2.5. Hospitals

Hospital catering services are provided for both patients and staff and are both directly operated by hospital trusts and by contractors such as Medirest (Compass Group) and Sodexo. Meal provision for **patients** has been strongly influenced by the introduction of the "Better Hospital Food Initiative." The initiative has aimed to provide more appetising food and more patient choice, including choice of portion size. A policy of **menu transparency** has been adopted, which aims to communicate the origins of food via menu descriptions e.g. British pork.

Patient meals supplied by catering contractors are predominantly provided via regeneration of bulk or individually portioned chilled or frozen meals. A third of these (with an ingredient value of around £100 million^{xv}) come from Sodexo's Tillery Valley Foods, with its main factory in Wales and Geest Anglia Crown in Colchester. The opportunity for local procurement to be incorporated within such systems is therefore currently very limited. (However, Tillery Valley have indicated that their food traceability capability would potentially allow local food to be

sourced, incorporated in prepared meals and shipped back to the same locality.) As further PFI initiatives are introduced in hospitals, it is likely that the use of contractors and pre-prepared meal systems will increase.

Some hospitals within trusts, such as the Northern General in Sheffield and Solihull Hospital, have developed central production units (CPUs) in catering kitchens. These produce frozen and chilled meals that are then supplied to other hospitals in the area and have the potential to allow more local procurement, without long distance transportation of either food supplies or prepared meals. This model is particularly applicable to isolated areas such as Cornwall, where a CPU is being built with a contribution from European funding.

Regeneration of pre-prepared meals can take place in ward side kitchens and this should enable hot, appetising and nutritious food to be readily supplied to patients. Added value pre-prepared meals can also offer greater choice for those with dietary preferences based on religious or ethical principles. They can reduce wastage, since food is prepared in bulk processing units, within purpose designed factories, quite apart from the fact that more acceptable meals will lead to a reduction in plate waste.

Patient meal provision in directly operated catering outlets can either be in conventional catering kitchens where food is cooked and then transported to wards the same day, often in heated trolleys, or (as indicated above) in cook chill/freeze kitchens that enable buffer stocks of dishes to be held. Even in conventional catering kitchens, supplies are often at least partially processed e.g. only cooked and frozen chicken being used, to reduce the incidence of Salmonella, and frozen/prepared vegetables being purchased ready to cook, to save on labour costs.

Directly operated catering departments in hospitals procure supplies via call-offs against framework supply contracts negotiated by the NHS Purchasing and Supplies Agency (PASA). According to PASA,

"We have the responsibility for ensuring that the NHS in England makes the most effective use of its resources by getting the best possible value for money when purchasing goods and services. Our ultimate target is to release money that could be better spent on patient care by achieving purchasing savings and improving supply performance across the NHS."

Individual hospitals are expected to use PASA nominated suppliers (unless there are particular reasons not to), since they are economic and have been HACCP checked as part of PASA's due diligence procedures. PASA have a *Sustainability Policy* that makes reference to organic food and local supply through the breaking down of contracts into regional subcontracts. It is unknown how far the sustainability policy objectives have proved effective, since the Department of Health, through its

Commercial Directorate, has instituted a 'Supply Chain Excellence Programme' that has been securing economies through rationalizing suppliers and bulking up contracts. At the same time, a review of PASA is underway. Nationally, around 50% of directly operated catering service supplies are obtained through PASA.

Staff and **visitor** catering is also provided by both contractors and direct operators. Direct operators potentially may exercise more freedom to engage with local suppliers, while contractors are still subject to their company's nominated supplier system.

2.6. Ministry of Defence

Nationally, the Ministry of Defence (MOD) feeds some 92,000 personnel daily. The total annual MOD food procurement budget is around £90 million. At unit level, MOD personnel directly manage all catering, while procurement of food is supervised centrally by the MOD Defence Catering Group, based in Bath. However, some high profile Private Finance Initiatives have been introduced, for example 'Pay as You Dine', where private contractors have invested to provide upgraded catering facilities on bases, in exchange for long term supply contracts. These facilities may be modelled on 'Food Courts', which can offer more choice, but can also be populated by branded outlets offering unsustainable (i.e. unbalanced/unhealthy) meals.

All MOD procurement and distribution is through a single contract with a division of 3663. At unit level, catering managers develop their own menus within their own budget and order exclusively through 3663. The contract with 3663 has run for three years and is being extended for a further two years.

The system is centralized with three distribution warehouses, one in Germany and two in the UK. The main hub is at Basingstoke. All goods, with the exception of milk and bread, pass through these hubs. Milk and bread are supplied by the Co-op Dairy and Allied Bakery respectively (under a sub-contract with 3663) and delivered direct to units. For catering in war zones, 3663 sub-contract to Supreme, a specialist caterer. The MOD retains a right of veto over choice of sub-contractor. Meat and fish makes up approximately 25% of the total procurement budget.

Table 3 - Annual National MOD procurement of meat and fish

	£ million
Beef	6.7
Lamb	2
Chicken	3
Pork	2.8
Bacon and gammon	2.9
Fish	2.5
	21.9

Source: MOD estimates

The MOD has audited its food supply and found that 75% by value of items procured could be sourced from British producers and manufacturers. The MOD actually achieves procurement of 61% by value from UK sources. The contract with 3663 specifies that British goods should be bought when they are competitively priced and meet specification criteria.

Most food (over 80%) is supplied to units frozen (all meat and fish is frozen) or dry, with the exception of fruit and vegetables. This creates a problem with sourcing meat from the UK, as the added cost to the MOD/3663 of cutting, packing and freezing UK lamb makes it more expensive than frozen New Zealand lamb. Despite this, lobbying by UK lamb producers has led to some procurement of British lamb.

The large scale and centralized nature of military food procurement, along with the predominance of frozen food is seen to largely rule out much scope for local purchasing, however the MOD has focussed its supply chain on the UK.

3. Barriers to public food procurement in England becoming more sustainable

Introduction

Much has been written about the barriers to progress on sustainable development. This section provides some analysis and illustration, both of generic barriers to more sustainable procurement as well as those specific to food, how they interrelate, and the trade-offs which must be made.

The barriers identified by the National Audit Office (NAO) in its report on Sustainable Procurement in Central Government^{xvi} are applicable throughout the public sector and also to food procurement.

Barriers are analyzed under four descriptive categories: economic, social, logistical and policy. DEFRA's unpublished papers on barriers deal with both demand and supply side barriers and we have drawn upon these in this analysis.

3.1. Economic barriers

3.1.1. The cost of sustainable food

The most commonly used argument against buying more sustainable food is that it costs more. However, this argument does not take into account the concept of 'whole life costs'¹¹ and the key role this measure plays in 'Best Value' or 'value for money'. This is discussed further in the following sections.

In common with other commodities, food prices are influenced by a number of factors. As well as demand and supply, these include (at present) tariff barriers, seasonality, yields, lower labour and production costs in some areas and differing preferences in other parts of the world. Agricultural subsidies and globalization of the food supply chain have driven down prices. These factors help to explain the big differences in procurement costs that can be experienced in different countries. For example, the price of processed chipped potatoes from Holland is about half that in the UK^{xvii}, tomatoes from Holland or Spain are cheaper than UK grown produce and certain cuts of chicken can be purchased much more cheaply from Brazil^{xviii} than from UK.

¹¹ This concept is illustrated by the fact that, for example, an energy efficient light bulb may cost more in the first place, but may last for ten years rather than a few months and use far less electricity during the course of its life than a conventional light bulb.

Cheaper chicken meat

- Poultry from parts of the world such as Brazil, Thailand and Eastern Europe is significantly cheaper than from the UK.
- Low labour costs in these countries make it possible to provide a hand boning service, which gives a more acceptable product for foodservice (no ragged edges).
- Demand for breast meat in some large poultry exporting countries is lower than for 'thigh', meaning breast can be sold to the UK for lower prices.

Source: Institute of Grocery Distribution^{xix}

The likely abolition or reduction of many food tariff barriers will further encourage global food trade and this will increasingly present a challenge to the 'locally sourced' sustainability criteria.

There are market distortions throughout the food supply chain, in the shape of the volume discounts or rebates 'offered' (under pressure) by lower tier suppliers (producers, wholesalers) to first tier suppliers (large food distribution companies) and purchasers (caterers in the public or private sector). This practice is clearly illustrated in work by analysts at Deutsche Bank^{xx}, who describe the practice (known as "purchasing inflation" or "invisible earnings") by which contract caterers "potentially mislead customers by claiming the cost of purchases is higher than it really is".

Case study: need better quality cost more?

Host Contract Management aims to provide consistently higher quality fresh food and better service, while lowering its customers' catering costs. They describe their business philosophy as "we buy from national and local suppliers who are regularly audited for hygiene standards and we operate a net purchasing policy which means we pass on all discounts and incentives from our suppliers to you. Nothing hidden and no additional costs added to the goods to create an income for Host. The effect of this policy is to buy at prices that are on average 15% cheaper than the supermarket."

Source: Deutsche Bank AG^{xxi}

To put this in context, however, it should be noted that for major contract caterers, the average net return on turnover is very low, indicating that rebates are used to pay overheads rather than to produce artificially high profits.

Organic food undoubtedly costs more than conventionally grown or reared produce, however, as explained earlier, there are many strands to consider in

defining “sustainable” food. There are case studies on the DEFRA website¹² which demonstrate that cost savings can be made in local supply chains for organic produce which can offset any premium for the food itself.

Affordability for the consumer is an important issue and is also one of the frequently quoted criteria for defining sustainable food. Whilst it is not an explicit objective of the PSFPI¹³, it is a key concern throughout the public sector. There are per capita fixed budgets for food purchasing where consumers’ meals are provided either free of charge (hospitals, prisons) or for a fixed price (primary schools, armed forces), and, for those consumers who can exercise more choice (secondary school children, public sector workers), there is consumer price resistance.

Overall, as identified by the NAO, public sector buyers “struggle to reconcile sustainable procurement and the need to reduce cost”. They may face insuperable difficulties when subject to Best Value Audits if an inappropriate measure or ‘metric’ is used, as in the example of Carmarthenshire County Council in 2001. The council’s catering service was found by the auditors to be good because of the quality of the food, both healthy and nutritious, work done to help primary school pupils to change their dietary habits, meal uptake and staff motivation and focus. But the auditors used a measure of “meals produced per staff hour” and, concluding that the service was “high quality, high cost”, reported that “if productivity cannot be improved, and if competitiveness cannot be demonstrated, then the Council should engage the private sector in the delivery of the service”^{xxii}. The fact that one of the main causes of low productivity in the primary school meals service was that catering staff were devoting time and effort to change the eating habits of children was not recognized by the narrowly focussed metric used.

3.1.2. Supply side resistance

Research carried out by Oxford Brookes University researchers amongst local producers in Oxfordshire, Berkshire and Buckinghamshire¹⁴ indicated that the low margins generated by sales to contract caterers prevented them from

¹² <http://www.defra.gov.uk/farm/sustain/procurement/casestudies/index.htm>

¹³ The PSFPI five priority objectives are:

- Raise production and process standards
- Increase tenders from small and local producers
- Increase consumption of healthy and nutritious food
- Reduce adverse environmental impacts of production and supply
- Increase capacity of small and local suppliers to meet demand

¹⁴ see Annex 1

seeking to market their produce into foodservice, though some were happy to sell to local pubs and restaurants and other hospitality outlets. Furthermore, the lack of incentive for suppliers to deal with the foodservice sector can be compounded by slow payment, the difficulties of accessing the supply chain (centralized purchasing systems, volume rebates and limited supplier lists) and meeting food safety requirements under HACCP (discussed in section 3.3.).

Small and medium sized enterprises¹⁵ (SMEs) frequently struggle to offer food service companies the efficiencies and standards of larger food production companies. Unless a food service company is prepared to nurture a SME and support them to meet its requirements through partnership arrangements (illustrated by several examples in the IGD publication on local sourcing^{xxiii}), the SME will often fail to win or keep contracts. SMEs do offer 'marketing collateral' in the shape of a good food story and this may encourage larger companies to deal with them.

Researchers at Oxford Brookes University came across a number of examples of lack of willingness to supply contract caterers. Repeated attempts by Thames Valley food groups to persuade local producers to supply contract caterers have shown that small businesses would in general prefer to sell direct to the consumer. Starting with a list of 22 food producers, it took five weeks to persuade 10 to accept a free health and safety audit from a major contract caterer, and supply lunch for a conference on local food and public procurement at Oxford Brookes University^{xxiv}. During a different project^{xxv}, a mailshot to 850 NFU members asking whether they would like to be listed in a directory for school caterers attracted around 30 replies.

Elsewhere when, in 2004, NHS PASA invited tenders from producers in South East and Eastern England (the major top fruit growing areas for the UK), for supply to the Schools Fruit and Vegetable Scheme in those areas, the response by UK suppliers was extremely disappointing. The experience of setting up this scheme has been analysed in detail in a report by East Anglia Food Links^{xxvi}. It is likely that the lack of response from regionally based suppliers was due to insufficient capacity to service the large scale contracts on offer. Some schools which have voluntarily extended the scheme to benefit older pupils have dealt directly with local or regional fresh produce suppliers.

Supply side resistance is also influenced by the uneven nature of some public sector demand, for example schools and higher education establishments

¹⁵ defined as businesses with fewer than 250 employees and annual turnover less than 50m euros

have little or no demand during much of the year when local produce is readily available.

3.1.3. Other economic barriers

The Accounting for Sustainability Group (ASG), in their report on using value for money to make the public sector more sustainable^{xxvii}, describe three categories of economic working level barriers:

- Long term versus short term
- External benefits versus internal costs
- Intangible benefits versus monetary costs

These are to a limited extent relevant to food procurement in that neither procurer nor consumer benefit directly or immediately from all the positive aspects of sustainable procurement. It is self-evident that, even in the medium term, the consumer must benefit from food that is healthy and nutritious. In the long term, it is argued¹⁶ that the National Health Service would benefit enormously from wider public consumption of healthier food. Collaborative research^{xxviii} has demonstrated the positive input of diet on prisoner behaviour and there is much anecdotal evidence of improved behaviour in schools as a consequence of nutritional improvements to school meals.

Additional external/intangible benefits from more sustainable food procurement practices would include a flourishing and sustainable farming sector; rural economic development; reductions in energy consumption; reductions in emissions from food transport, chilled storage and manufacturing; and reductions in food waste. Arguably, local authorities have an interest in all these benefits, though other public sector stakeholders may not. Even though public sector procurers are encouraged to consider the whole life cost of supplies, knowledge of how to do this is rare. Consequently, procurement and costing models do not support sustainable procurement, the benefits are medium or long term and the benefits do not necessarily accrue to the purchasing decision maker.

¹⁶ the Health Select Committee on Obesity estimated a cost of £4bn to the NHS of treating obesity related diseases

3.2. Social barriers

3.2.1 Lack of demand – loss of food culture

The large body of consumer research on demand for sustainable food in the retail sector is not matched by research on demand when eating out in the foodservice sector. The Institute of Grocery Distribution (IGD) found that 10% of customers want to see local and regional food on restaurant menus^{xxix}, however other research (see below) has reported much higher levels of support. In a research report on consumer attitudes to the origin of food when eating out^{xxx}, IGD concluded that the key drivers of food choice in foodservice were the taste of the food, knowledge of the ingredients in a meal (rather than origin) and the price of the food. Most characteristics of *sustainable* food, namely freshness, origin, GM free, nutritional quality (e.g. sugar and salt content), animal welfare, use of colours and flavourings were tertiary drivers of food choice.

IGD ran focus groups which considered eating out as a functional activity (at work, in a hospital, school or prison), and reported that this activity was viewed through a totally different set of eyes. Consumers made it clear that they are looking for a convenient location; value for money; speed of service and 'quick to eat' food.

However, the Welsh Development Agency commissioned market research to identify demand and commercial opportunity in the Welsh foodservice sector^{xxxi}, which found that 93% of consumers and 98% of public sector buyers would choose Welsh/locally produced foods in order to support Welsh/local producers.

We know of no evidence to support a similar high level of interest in regional/local foods in England. As there is a great deal of interest amongst retail customers in foods characterized as sustainable^{xxxii}, we conclude that it is the lack of menu transparency that is responsible for consumers' lack of curiosity as to the provenance and sustainability credentials of food, when they are eating out of home.

Evidence for the loss of 'English' food culture in England includes television polls^{xxxiii} where the most popular fast foods and dinner dishes include 3 dishes with Chinese origins, 3 Italian, 5 from the Indian sub-continent, 1 Thai and 1 Mexican. In many ways, this is a glorious reflection of a multicultural society: had it not been accompanied by a decline in public appreciation of distinctive regional and seasonal cooking and knowledge of where food comes from, accompanied by lack of time to cook.

Without greater menu transparency, education to raise awareness of food culture and sustainable food cannot succeed.

3.2.2. Other social barriers

ASG^{xxxiv} defines working level attitudinal and cultural barriers as ignorance, suspicion, confusion, lack of information and accountability. These apply equally to the procurement of sustainable food as to any other type of commodity. NAO have also identified that “sustainable procurement is hampered by a lack of knowledge” as a significant barrier and call for stronger leadership on sustainable procurement^{xxxv}.

The Office of the Deputy Prime Minister’s National Procurement Strategy^{xxxvi} advises that “every council should build sustainability into its procurement strategy, processes and contracts” and advice is available from the Improvement and Development Agency (IDeA) to help with this^{xxxvii}. Given that this guidance is 80 pages long, it is difficult to argue that local authorities do not struggle with ‘information overload’ (which is as difficult to cope with as lack of information) and confusion.

A particular issue for the public sector is lack of accountability, engendered in this context by a lack of performance targets related to sustainability. Staggering under the burden of performance targets and initiatives around excellence, public sector managers need to be highly motivated to improve performance on sustainable procurement or to introduce additional non-statutory performance measures.

DEFRA’s Procurement and Contracts Division has produced the ‘Catering Services and Food Procurement Toolkit’^{xxxviii}, which includes suggested key performance indicators (KPIs) for the procurement of catering services. The indicators were developed in discussion with major foodservice companies, though it is acknowledged that there are currently difficulties associated with reporting against some of them, because of lack of data on the origin of foods procured and the inability to measure energy and water consumption and waste production (discussed in more detail in section 3.3.8 on page 12). Although of daunting length, the Toolkit does provide clear guidance and practical tools to help public sector food buyers. However, there is no compulsion or organizational policy steer to use it and awareness of it amongst public sector caterers seems very limited.

To illustrate this lack of awareness, a National Audit Office/Office of Government Commerce survey of 146 public bodies (Government departments, NHS Trusts, Local Authorities, Armed Forces bases and Universities) revealed that 40% of respondents were not aware of the PSFPI

and 64% were unaware of the Toolkit. This may of course reflect the fact that responding to the survey was delegated to staff who had not been briefed about either, however it graphically illustrates the problem. Of those who were aware of the Toolkit, 67% found it quite or extremely useful. Therefore there is great scope for publicizing the existence of the Toolkit.

3.3. Logistical barriers

3.3.1 Food miles

This is a complex issue. On the face of it, food miles appear to be a driver for more sustainable procurement. However, further consideration indicates that, in many ways, the current distribution system (delivering multiple product lines in few drops) is highly efficient, in both logistical and environmental terms. If this is the case, further fragmentation of the system by increasing the number of suppliers and incorporating large numbers of local or regional suppliers could reduce efficiency and thereby sustainability.

Food miles in context

DEFRA recently commissioned a report on food miles as a measure of sustainability^{xxxix}, which included identifying and quantifying the economic, environmental and social impacts of food miles and the compilation of a food miles dataset covering the supply chain from farmer (both UK and overseas) to consumer for 1992, 1997 and 2002. Key findings include the fact that food transport accounts for 25% of all HGV vehicle kilometres in the UK, producing 19 million tonnes of carbon dioxide (CO₂) in 2002 and that though air freight of food accounts for only 1% of food tonne kilometres and 0.1% of vehicle kilometres, it is the fastest growing mode and produces 11% of the food transport CO₂ equivalent emissions.

An earlier analysis^{xl} suggests that there is a complex relationship between transport distance and other life-cycle emissions. In their report, Transport 2000 Trust explored the relationship between food, transport and CO₂, and pointed out that proximity is not always a good measure of carbon sustainability, for *three main reasons*. For example a long journey by sea can be preferable to a shorter trip by road; *secondly*, the efficiency of the supply chain is also important and the total energy use will depend on a range of factors including vehicle size, fuel efficiency, whether the vehicle is fully or only partially loaded, the way it is maintained and operated, and the route the vehicle takes.

Their study found that one retailer trucked in cheese from 470 kilometres away but in doing so clocked up fewer transport emissions than another who sourced from only 300 kilometres away.

Finally, there are other life-cycle energy impacts to consider. For processed foods, the efficiency of the manufacturing plant may carry more weight than its location. It may be less carbon intensive to source fresh out-of-season produce from abroad where, for example, tomatoes grown out of season in the UK require the application of constant heat to ripen^{xli}.

Advocates for local and regional sourcing often cite their awareness of the 'little white van' scenario, whereby it is imperative for **a local supplier to link up with an existing distributor**, so that there is little or no net addition to food miles. Without further detailed research, it is impossible to say whether widespread adoption of local and regional sourcing would add to UK food miles because it would never completely replace the current system. However, we consider it likely that further fragmentation of the food distribution system *inside* the UK would increase food miles and these environmental impacts must therefore be traded off against the economic, social and other environmental advantages of local/regional sourcing. More research is needed to clarify the costs and benefits of local sourcing.

The current system

According to IGD^{xlii}, foodservice supply chains differ tremendously from the retail sector and are often highly fragmented. However, this is unlikely to be the case in public sector catering. 99% of contract catering turnover is attributed to the big four contract caterers, all of whom use national foodservice companies such as 3663 and Brakes, both as wholesalers and to deliver supplies. These distributors are increasingly providing an efficient, relatively environmentally responsible service using fuel-efficient LGVs and offering a multiple drop service, whereby all a caterer's needs are delivered in one go.

It is difficult to envisage a more efficient system logistically, however there are many dysfunctional parts in this supply chain which present opportunities for improvement. Case studies (and anecdotal evidence) have described the transport of animals from farm to abattoir, from there to the processor (cutting, freezing), thence to the wholesaler/catering butcher and on to the first tier supplier/food distribution company for delivery to the caterer. This can result in meat being trucked from one end of the UK to the other. And likewise for other types of produce, which pass through processing and packing plants (adding value) between farm and the ultimate consumer.

The reduction of food miles which would result from reducing food imports is clearly a driver for the PSFPI.

3.3.2. Deskillling

It is acknowledged that, throughout public sector catering, there has been a progressive loss of skills, for the reasons given below in 3.3.3 and 3.3.5. As labour costs are the most expensive component of the cost of catering provision, and as suitably skilled labour becomes scarcer, deskillling has been widespread. A survey by Caterer & Hotelkeeper magazine and the Local Authority Caterers Association (LACA)^{xliii}, covering nearly 10,000 schools, found that more than a quarter did not have trained cooks able to prepare fresh food at all of the kitchens in their area.

This has been acknowledged by Government as one of the barriers to the provision of more nutritious, healthier school meals, in the recommendations of the School Meals Review Panel.

3.3.3. Lack of investment and disinvestment

The LACA survey also questioned the state of equipment and kitchens in nearly 10,000 schools and found that one in five respondent senior catering managers said that 75 to 100% of their kitchens were more than 30 years old. The LACA Chair believes that the extra £220m promised by Government over three years will not be sufficient to bring school kitchens with conventional catering equipment up to spec. However, there are examples of contractors investing in kitchens in order to secure a contract.

New schools and hospitals funded through the Private Finance Initiative are increasingly being built without fully equipped kitchens, on the basis that regeneration of partly prepared ingredients and pre-prepared meals offers better value in the long term. Such 'added value' products are labour saving, do not require a high degree of skill to prepare and serve, enable consistent delivery of the service and are therefore relatively good value.

3.3.4. 'Added value' catering systems

There are numerous opportunities to add value to raw ingredients throughout the food chain. These range from the use of prepared chilled or frozen vegetables to the practice of supplying prepared and semi-prepared, 'ready meals', cooked from the raw ingredients in a factory some distance from where they are to be consumed, then chilled or frozen, for supply to the client (hospital, armed forces), where the food is 'regenerated', i.e. heated and served. Two large suppliers, Tillery Valley (a division of the contract

caterer Sodexo) and Anglia Crown, provide one third (by value) of the ready meals purchased by the NHS^{xliv}.

Large processing units are more efficient than small catering kitchens. However, these systems can often conflict with some aspects of sustainability objectives. For example, ingredients are likely to be sourced from anywhere in the world, transported to the factory and then out again as ready meals to, for example, NHS trusts in all parts of the UK. Cauliflowers grown in Cornwall may be trucked to South Wales, converted into ready meals and then trucked back to hospitals in Cornwall^{xlv}. However, from the point of view of patient choice, including dietary requirements and cultural preferences, ready meals may provide a greater choice and lead to greater acceptability and less food waste – a massive issue for the NHS, as the Department of Health reported food waste as 10.7% in 2003/04^{xlvi}. This illustrates the trade-offs that are endemic in a sustainable approach.

In addition to this, 'regeneration' technology is energy efficient, labour saving and requires less capital investment than conventional 'cooking from scratch' kitchens, hence its recent popularity in PFI contracts for new schools and hospitals. Nutritional content may also be superior if food is regenerated in ward-side kitchens or actually cooked in the trolleys used to transport it (see Section 4 page 34 for an example of this) rather than fully cooked in a central kitchen and kept warm in heated trolleys (there may need to be further research to determine this).

3.3.5. Food safety

The HACCP system is designed to assist managers in food manufacturers, supply chain intermediaries (processors, wholesalers, distributors) and caterers to identify where they may be at risk, minimize risks to food safety and comply with the food safety regulations. At the moment, it is 'one size fits all' and this can place an unwelcome burden on SME food producers who may not have the administrative systems in place to demonstrate how they deal with risk and traceability. The case study^{xlvii} mentioned in section 3.1.2 describes how it took considerable efforts to persuade a handful of local food producers to accept the offer of a free audit. However, a new food industry due diligence standard for SMEs is likely to be developed during the next year.

3.3.6. Centralized purchasing systems in foodservice

A combination of the patchy willingness on the part of local food producers to do business with the foodservice companies and the difficulty these SMEs find in accessing the rationalized and relatively efficient supply chain which exists,

means that DEFRA's PSFPI objective "to increase tenders from small and local producers" is extremely difficult to achieve. And the Department of Health's Supply Chain Excellence programme for the NHS has an objective to reduce the number of suppliers, which directly contradicts this objective. Overall, the trend in the contract catering sector is to reduce the number of suppliers, to reduce risk (improve food safety), improve the opportunity for volume discounts and better terms and save on administration costs (processing of invoices) and transportation.

Annex 1 illustrates this barrier (amongst others) for a small sample of local food producers in the Thames Valley.

3.3.7. Unconsolidated purchasing by clients

Despite the overall trend being towards fewer suppliers and the associated difficulties for some aspects of sustainability, the NAO found that "decentralization of procurement activity also makes sustainable procurement more difficult to implement" and that "sustainable development is not yet integrated into the day to day business of procurement"^{xlviii}.

Within local authorities, the NHS and other public sector bodies, purchasing of goods and commodities including food may be carried out by a number of different departments and individuals. The greater the number of agencies involved, the more difficult it is to achieve a consistent application of sustainability policies.

In the NHS, food procurement is roughly split equally between central procurement by PASA and procurement by over 400 individual NHS trusts. Therefore, sustainable procurement policy is difficult to embed and the devolution of responsibility to individual trusts will increase as more and more gain Foundation status - a prime example of unconsolidated purchasing by different parts of the same publicly funded service. A further risk to sustainable food procurement is posed by the current review of PASA as part of the 'Supply Chain Excellence' (SCE) programme headed by the Commercial Directorate of the Department of Health, and at the time of writing, it is uncertain where the responsibility for sustainable food procurement will be placed. Annex 2 summarizes the results of a survey of NHS trusts, conducted in the autumn of 2004, to examine attitudes to sustainable food procurement. This showed that although 60% of respondents believed that sustainable food procurement was important to their trust, only a minority of trusts had specific objectives relating to this.

3.3.8. Potential for monitoring/measurement

Environmental management

Section 3.2.2 raised the lack of performance targets related to sustainable food procurement, mentioning the voluntary KPIs contained within DEFRA's Catering Services and Food Procurement Toolkit. The contract catering sector is characterized by the fact that most of the activity (cooking and serving food) takes place within the client's premises and that environmental management (principally energy, waste and water management) is under the control of the client. Separate metering for the catering activity is rare¹⁷ and is necessary if a contract caterer is to monitor their environmental performance, in line with DEFRA's suggested indicators. Even where catering is directly managed, separate monitoring is rare.

Food purchasing

Similar provisos apply, in that the major contract caterers say that they do not have sufficient data to report against indicators such as "% of food supplied (by resale value) from local/UK sources" and "% of food supplied (by resale value) that meets criteria for assured standards, e.g. Red Tractor, LEAF, organic".

3.4. Policy barriers

3.4.1. European

EU procurement law is probably the most quoted barrier to more sustainable food procurement and much Government effort has been devoted to helping public sector procurement officers to make progress on sustainability whilst complying with the regulations. As a result of this, the NAO found that "uncertainty in departments regarding what can and cannot be done under the European Commission's rules on public procurement was rare"^{xlix}.

However, this perceived barrier has in the past fostered what has been described as a "risk-averse culture" (Morgan and Morley, 2002). If procurement managers think they are entering a zone of uncertainty if they try and procure more sustainable food, they will stay within the zone of well-established custom and practice^l.

For example, for contracts exceeding £100,000 in value, purchasing officers are not allowed to specify the origin of food, whether UK or local (from within

¹⁷ 23% of respondents to the NAO/OGC survey mentioned in 3.3.8 had separate metering which allowed them to keep records of how much kitchen operations contributed to annual utility bills.

a specified distance or from a specified region) and must resort to specifying, using such phrases as “as fresh as possible at the point of delivery”ⁱⁱ or inserting clauses which encourage environmental or positive local economic benefits into the tender invitation. This requires considerable effort, though excellent guidance is now available in the DEFRA Toolkit.

The EU itself has recognized the need to overcome this barrier.

3.4.2. UK

There is no shortage of policy on sustainability, rather the difficulties arise with policies which appear to conflict, for example the efficiency review of the public sector, led by Gershon, which can be interpreted as driving efficiency through cost cutting without taking into account objectives related to sustainability. Another example is the Supply Chain Excellence programme, which has already been mentioned and which appears to act against local and regional sourcing. As is evident from the number of current initiatives¹⁸, the commitment from the top is in place, but implementation of sustainable food procurement across the board in the public sector is really difficult when faced with multiple and often apparently conflicting policies. Despite this, a number of public sector bodies have developed sustainability action plans, for example the Department for Education and Skills published a PSFPI Action Plan in May 2003^{lii}. However, the effectiveness of implementation and performance monitoring remain issues.

¹⁸ for example the Office of Government Commerce Efficiency agenda; the Public Health White Paper, 2005, the Department of Health’s Obesity Care Pathway; the National School Fruit and Vegetable Scheme, Healthy Food in Schools, School Food Trusts, Refurbishment of school kitchens, all 2005; the Food Standard Agency’s Strategic Plan, 2005-2010 – to name some of the most recent.

4. Ways individual public bodies might be able to make progress now

Introduction

This section provides some analysis of the good practice in sustainable procurement which has been widely disseminated throughout the public sector. This is used to justify recommendations as to how this learning could be spread out from the “islands of good practice” to drive change and make a real difference on a national rather than local level.

For all sectors there is a need to raise the profile of sustainable practice, giving it at least equal priority with other policy objectives. Setting the agenda is clearly an important responsibility of government and its agencies and this is explored further in section 5. However government cannot act alone. Industry bodies such British Hospitality Association (BHA), Institute of Grocery Distribution (IGD), Hotel and Catering International Management Association (HCIMA) and the various sub sector management and trade associations can all be expected to contribute to the task. There are also a range of interested bodies and lobbying organisations such as Sustain, Soil Association and Slow Food that are energetically engaging with the debate and promoting good practice.

In some public sub sectors, **policies** regarding sustainable practice are already established, but even here **awareness** at unit level is limited. In others more needs to be done. The situation regarding **action plans** and **targets** is even more variable. There is a need to encourage accountability and considerable work is needed in all of the public sectors to convince managers that sustainability is important. This is particularly the case in the area of catering service delivery, where implementation of sustainable policies is dependent on the support of many individual organisations and managers. Effective **performance monitoring** to benchmark and report progress against relevant key performance indicators is also a high priority.

Such key elements of sustainable development need much more attention across all public sub sectors. However each sub sector has its specific opportunities that can be realised now.

4.1 Summary of Recommendations

A summary of recommendations for action which could be taken by the major public sub sectors, delineated according to likely cost, is provided below. References are provided to the section that provides more detailed analysis and justification.

4.1.1 Recommendations for the Schools sector:

Potential for savings to be made

1. LEA catering services could plan their menus to incorporate more seasonal produce (see page 40);
2. LEA catering services could actively monitor packaging and food waste and target waste reduction (see page 40);
3. Where new kitchen investment is being made, equipment should be AAA rated for energy and water efficiency (see page 40);

Cost neutral

4. LEA procurement departments could apply the DEFRA Toolkit to their own direct provision, and also use it as a basis for specifying (and varying existing) contracts with private catering service providers (see page 40);
5. LEA catering services could avoid the use of artificial additives commonly found in processed food products (see page 38);
6. LEA catering services could offer special promotions of e.g. organic meals on occasion – covering the cost by purchasing local and seasonal food, and by cross subsidy from lower food cost menu items;
7. LEA policies towards sustainable food should extend to cover all schools in the region, irrespective of whether catering services are provided by the LEA, independently operated by individual schools, or contracted out (see page 41).

Cost to the service

8. Local Education Authorities (LEAs) could work to introduce the recommendations of the School Meals Review Panel^{liii} earlier than the timescale envisaged by the Government;
9. LEA catering services could eliminate processed items from school menus (see page 40);
10. LEA catering services could work with both client and other schools to help produce Whole School Food Policies,¹⁹ where these are not already in place (see page 40);
11. LEA catering services could provide paid training for all staff to help ensure that pupils have the opportunity to make healthy choices (see page 40);

¹⁹ a shared, evolving document for all stakeholders which aims to develop a coherent approach to healthy eating activities in a school

12. LEA catering services could investigate opportunities for local sourcing including the development of 'added value' products such as healthy burgers and sausages (see page 40);
13. Contract specifiers could work with contract caterers to increase provision of sustainable food, both in existing and new contracts (see page 39).

Where LEAs contract out school catering, they should seek opportunities to negotiate with contractors and individual schools to implement many of the above recommendations and should introduce such requirements when re-tendering (using the DEFRA Toolkit).

Other minor recommendations are contained within the detail of section 4.2.1.

4.1.2 Recommendations for Hospitals

Potential for savings to be made

14. CPU (Central Production Unit) Managers could use their purchasing power to develop local/regional supply chains for meat, dairy and fresh produce (see page 46);
15. Managers of small scale catering services attached to small primary care units also have particular opportunity to forge local food supply agreements but may require HACCP training;
16. CPU Managers could actively seek to develop their markets, both internally (other hospitals in the trust, other trusts including Primary Care) and externally (Care Homes, even Schools in some areas) (see page 46);

Cost neutral

17. NHS trusts should ban unhealthy food from staff canteens and replace some products in vending machines with healthy equivalents (see page 44);
18. NHS Logistics could expand their product range (in the Catalogue) of healthy and sustainable convenience foods, suitable for staff and public facilities and small scale catering provision attached to local facilities (see page 44);
19. Conduct a feasibility study for the inclusion of a CPU in all new hospitals where no such facility exists within a reasonable distance – to reduce reliance on commercial suppliers and encourage local/regional sourcing;

Cost to the service

20. Amend existing and negotiate new contracts with private catering contractors that incorporate sustainable food features, so far as is compatible with regenerated food based catering systems (see page 47).

See section 4.2.2 for a fuller explanation and details of good practice that has informed these recommendations.

4.1.3 Recommendations for higher/further education

Cost neutral

21. The Department for Education and Skills Sustainable Development Action Plan should incorporate targets and actions for catering provision alongside other action areas. Commitment of key funding and decision making bodies and individual institutions should be secured as part of this exercise and performance monitored.

22. Universities and Colleges of Further Education should include catering services in their individual sustainability and environmental management strategies, as these are developed in response to Government initiatives. Catering contractors should be expected to fully participate in these.

23. Given the crucial role of education in advancing sustainable development and sustainable food procurement, both hospitality management degree and craft based catering courses should incorporate study of the meaning and importance of food culture, sustainable food and sustainable supply chains.

Cost to the service

24. Education represents an opportunity to develop knowledge and understanding of food and culture amongst the general student body, helping to generate long term general demand for sustainable food.

See section 4.2.3 for a fuller explanation and details of good practice that has informed these recommendations.

4.1.4 Recommendations for the MOD

Cost neutral

25. MOD contract specifiers could build sustainable food related contract terms into tenders, contracts and performance monitoring;

26. Greater choice offered under “Pay as you Dine” food courts should incorporate sustainable (fresh, locally/regionally sourced, some organic and fair trade) food and not be restricted to global brands reliant upon global food supply chains. Point of sale food education should be offered.

Cost to the service

27. MOD should be encouraged to increase the proportion of food sourced from UK through specifying in ways that will require suppliers to consider the environmental impact of procurement and distribution.

See section 4.2.4 for a fuller explanation and details of good practice that has informed these recommendations.

4.1.5 Recommendations for the Prison Service and Police

28. Directly operated catering service providers in prisons operate within the Prison Services Sustainable Development Action Plan. Examples of good practice have already been achieved and wider application should now be sought.

29. Police catering operations include both fixed canteens and mobile catering provision to support large police operations. Sustainable Development Action Plans for catering would identify opportunities for more sustainable practice without impairing operational capability. This will require negotiations with both contractors and direct service providers.

30. Consumer education about food is important here too. The effect of good nutrition on prisoner attitude and behaviour has been scientifically demonstrated.

4.2 Analysis of good practice

4.2.1 Schools

Sustainable procurement for schools is a classic case of ‘one size won’t fit all’. There is no better illustration of this than the variety of case studies on DEFRA’s PSFPI website. In terms of sheer numbers of schools benefiting from sustainable – and in this case local – food procurement, perhaps the leading example is the South Gloucestershire initiative^{iv}, serving 120 schools at the time of publication in May 2003. More recently, the work of Greenwich Council^v, serving 81 schools in the borough, as well as work by East Anglia Food Links and the majority of local education authorities in the region^{vi} is making a significant impact in their areas of operation.

Other beacons of good practice, such as St Peter's School in Nottinghamshire²⁰, Sopley School in Dorset²¹, St Aidan's Church of England High School in Harrogate²² and Education Contract Services in Bradford²³ all provide examples for others to copy.

LEAs who provide school meals directly or through the use of catering contractors

The Soil Association's "Food for Life" targets^{24lvii} for school meals are being adopted by some public sector caterers, for example, Shropshire County Council's direct service organization, Shire Services, works with local and organic producers on the development and evaluation of localized supply chains around three 'Food for Life' pilot schools^{lviii}. There is much anecdotal evidence that such changes impact upon pupil behaviour and concentration levels.

The Government has now taken a strong lead, with plans to restore nutritional requirements abolished (along with the requirement to provide school meals) by the 1980 Education Act. It also aims to counteract some of the effects of Compulsory Competitive Tendering, such as finding the cheapest direct cost solution without considering the longer term cost to health and sustainability. The reintroduction of nutritional standards is a very important policy development which could provide opportunity for further movement towards sustainable procurement and provision.

Recommendation 5

Local education authorities (LEAs) could go further, by banning artificial additives commonly found in food products.

²⁰ <http://www.defra.gov.uk/farm/sustain/procurement/casestudies/spps.htm>

²¹ <http://www.defra.gov.uk/farm/sustain/procurement/casestudies/sps.htm>

²² <http://www.defra.gov.uk/farm/sustain/procurement/casestudies/staidans.htm>

²³ <http://www.defra.gov.uk/farm/sustain/procurement/casestudies/bs-ecs.htm>

²⁴ 1. At least 50% of meal ingredients should be sourced from the local region
2. At least 30% of the food served should be organic
3. Three-quarters of all foods should be made from unprocessed ingredients
4. School lunches should meet the nutrition targets set by the [Caroline Walker Trust](#)
5. Better classroom education on food and the sustainability issues. For example all school children to visit a farm at least once.

For example, Hampshire County Council Catering Services (HC3S), publish a list of substances^{lix} which they no longer permit in the food served to children in 449 primary and special schools, and which they are working to remove from secondary school menus.

Other examples of the work by HC3S^{lx} include the introduction of organic and additive free-beef burgers, meatballs, minced beef and sausages to menus this year, the elimination of processed²⁵ items from menus and the use of high quality fish, some high in Omega 3²⁶. However, they are using cod – Atlantic cod should be avoided as it is rated as vulnerable by the Marine Conservation Council (MCC), unless it is line-caught from a sustainable stock²⁷. The MCC advise that Pacific cod is a more sustainable choice²⁸, thus illustrating the trade-offs (in this case food miles) which are made in the pursuit of sustainability.

HC3S have also found fame by their promotion of locally sourced products, in particular their work with a small food manufacturer, Pure Organics, based in Wiltshire. Already purchasing the organic and additive-free products mentioned above, HC3S negotiated with the manufacturer to introduce beef from Hampshire rather than from Wales, developing a fairly short supply chain to serve locally sourced 'value added' beef in Hampshire schools. Further activity will involve the provision of a local food hub, to be developed by Hampshire County Council in association with the local food group and others.

A large number of LEAs have contracted out their school meal service and some schools complain bitterly about the standard of meals served by private sector contract caterers with contracts lasting several years²⁹. Clearly, the Government's initiatives on nutritional standards will tackle the worst practice in the private sector. However it is likely that contract caterers will only implement local sourcing and provision of good quality food demonstrated in the above case studies if the tender specification or contract requires them to do so. Contractors' success in winning contracts has been based upon providing clients with efficient and effective service. If the desired service criteria has now changed, private sector service providers will necessarily respond, if they wish to continue being successful.

²⁵ defined as foods that have had their basic constituent changed in a way which then requires it to be reformed, adding flavourings and enhancements, such as salt or sugar, to complete the product.

²⁶ the essential fatty acid which is usually only found in oily fish such as pilchards and salmon

²⁷ See <http://www.fishonline.org/advice/avoid/?item=4> for full information

²⁸ http://www.fishonline.org/information/MCSPocket_Good_Fish_Guide.pdf

²⁹ Anecdotal evidence from conversations with schools in the Thames Valley conducted by a researcher at Oxford Brookes University

Recommendation 12

LEAs should engage with contractors and seek to vary existing contracts and specify new contracts in ways that reflect more sustainable good practice.

Recommendation 7

LEAs who offer meal services to schools, whether through in-house catering services or contract caterers, could copy the practices described above and could introduce all the recommendations of the School Meals Review Panel earlier than the timescale envisaged by the Government.

Recommendation 1

Likewise, LEA catering services, whether in-house or outsourced, should plan their menus to incorporate more seasonal produce and to take advantage of favourable prices.

Recommendations 3, 10

LEA catering services should work with their client schools to produce Whole School Food Policies. These should include promoting pupils' awareness of where food comes from. They should also encourage budget holders to prioritize kitchen refurbishment, in line with the recommendations of the School Meals Review Panel. All new equipment should be AAA rated for energy and water efficiency.

Recommendation 2

As well as monitoring meal take-up, food cost and other metrics, caterers should measure food waste and target waste reduction, both through providing food which is not rejected and through minimizing packaging when ordering products.

Recommendation 11

LEA catering services should provide training for staff to ensure that they are able to support pupils in making healthy choices; they should not expect staff to undertake such training in their own time, but should offer it as part of the paid work duties.

Recommendation 4

LEA procurement departments could use the DEFRA Toolkit (currently being revised and simplified after consultation), to ensure that they make best use of opportunities for local sourcing where appropriate and cost effective¹.

LEAs who do not provide catering services and independently operated and contracted out schools

Exemplary projects like many of those described above do not tackle the issues faced by schools in areas where there is no meal service offered by the LEA (such as Buckinghamshire). Where schools have to fend for themselves, or where they have opted out of LEA provision as a positive choice (such as St Peter's Primary School in Nottinghamshire and Great Easton Primary School in Essex³⁰), there are excellent opportunities for local sourcing if a school has its own kitchen. Large scale projects are now beginning to take shape, such as 'Feeding our Future'³¹ in Essex. Partnerships between local food groups and the public sector, exemplified by East Anglia Food Links 'SPICE'³² project are showing the way but replication of such projects throughout the UK may take some time.

Where schools have signed contracts individually with private contract caterers, there are opportunities for more sustainable provision, particularly with small specialist catering companies. One or two schools have, perhaps unwisely, made arrangements with local pubs or restaurants to provide the meals, a move which, whilst providing good local publicity, is unlikely to become a long term arrangement if the chef (often something of a local celebrity) moves on. These schools can however be credited with recognizing the importance of good food and working to encourage pupils to be aware of food culture. If, in future, the standard of LEA catering across England begins to approach current best practice, they may be motivated to 'opt in'.

Recommendation 7

In the meantime, LEA policies towards sustainable food should extend to cover all schools in the region, irrespective of whether catering services are provided by the LEA, independently operated by individual schools, or contracted out.

Schools without kitchens (or with inadequate kitchen provision)

A significant barrier to sustainable food procurement for schools is lack of investment in kitchens over the last 20 to 30 years. Although the Government has now pledged to prioritize refurbishment of school kitchens

³⁰ <http://www.defra.gov.uk/farm/sustain/procurement/casestudies/ges.htm>

³¹ <http://www.defra.gov.uk/farm/sustain/procurement/casestudies/ashlyns.htm>

³² Sustainable Procurement in the Counties of the East – see <http://www.eafl.org.uk/default.asp?topic=Spice>

and to ensure that PFI contracts do not impose barriers to the improvement of school food, there are a large number of schools which have no kitchens and where it may be uneconomic to build them, for example schools with very small numbers of pupils on roll and in remote rural areas.

In other circumstances, it may be possible to secure investment from contractors whereby the award of a large contract is contingent upon provision of an on-site kitchen.

LEAs could apply some public sector 'joined up thinking' and investigate alternative ways of providing high quality school meals. For example, they could:

- **Establish whether there is an NHS CPU in the area and investigate whether there is capacity to provide good quality cook chill meals for regeneration on the school site using affordable technology;**
- **Investigate whether it is possible to provide meals using high quality 'value added' products such as those produced by Pure Organics and others, supplemented by regenerated frozen vegetables, which are often high in nutritional content;**
- **If the provision of hot meals is impossible, negotiate the supply of high quality sandwiches from a local supplier, an NHS CPU, or even a PASA approved sandwich supplier.**

As the provision of school meals will often involve some element of centralized food preparation/production, there is considerable scope for LEAs to become customers of the growing number of local food hubs which are being set up around the country.

4.2.2 Hospitals

Some progress

To their credit and in the face of many time-consuming initiatives, some individual NHS trusts and PASA (Purchasing and Supplies Agency) have made good progress on sustainable procurement, spurred on, no doubt, by the well-established links between better food and health. The Action Plan of NHS Estates/NHS PASA demonstrates a comprehensive approach to sustainable food procurement, covering a wide range of objectives. Furthermore, the Centre for Research in Sustainable Purchasing and Supply (CRiSPS) at the University of Bath began – in January 2005 - a training programme (including workshops, tutorials and e-learning) on sustainable procurement for NHS managers (who may represent trusts, confederations, hubs or NHS PASA).

Annex 2 shows a much higher level of awareness of the Better Hospital Food Programme, which has been running for several years³³, than of the PSFPI or the Department of Health's Food & Health Action Plan. Sustainable food procurement was seen by most as being about using local or regional food suppliers and/or a reduction in packaging and waste, while respondents were least likely to equate it with improved working conditions for catering managers. However, 60% of respondents believed that sustainable food procurement was important to their trust, even though only a minority of trusts had specific objectives relating to this. Two thirds of NHS sites did claim to offer locally produced foods depending on seasonal availability. A key reason for not offering such foods was the lack of local food products under existing national contracts.

Contractors also play a prominent role in NHS catering provision. They typically provide the catering service by using pre-prepared chilled and frozen meals, and additionally have their own national and international supply chains. One of the big four caterers, Sodexo, own Tillery Valley Foods, which is one of the two major suppliers of pre-prepared food. Since contractor's patient catering systems are so locked into regeneration of pre-prepared food, progress towards procurement of local and regional food may be limited to staff and visitor catering systems that are often based on conventional cooking. Persuading contractors to move to more sustainable catering will require NHS Trusts to initiate discussions about contract variations. This may involve extra cost, particularly in instances where long term contracts have been negotiated under a PFI.

But an uncertain future

The Department of Health's SCE (Supply Chains Excellence) programme focuses on efficiency as its overriding objective and sustainability is recognized only in so far as it can be accommodated in the efficiency agenda. The NHS annual budgetary cycle conflicts – as do all annual budgetary approaches - with DEFRA's 'Whole Life Cost' approach, so there is a danger that sustainable food procurement will not become embedded in practice unless it is cost neutral, or cost savings can be made.

Food procurement in the NHS is roughly split equally between procurement using PASA framework agreements and autonomous procurement by over 400 individual NHS trusts. As illustrated below, trust catering managers may choose to use PASA approved suppliers, to save time and administration and comply with food safety regulations. At the time of writing, in the context of

³³ Launched in May 2001

the review of PASA as part of the SCE programme, it is uncertain where the responsibility for sustainable food procurement will be placed. Furthermore, as more and more trusts gain Foundation status, and the relative autonomy which it carries, it may become more difficult to embed sustainable procurement policy objectives.

In common with schools, trusts are faced with performance targets which control management agendas, and the temptation to supplement income through profitable and popular food sales such as fast food in staff canteens and sweets and confectionary in vending machines. These offers may not be consistent with healthy eating or sustainable food. A different approach to feeding staff and visitors is demonstrated by the London Hospital Food project^{lxix} - which has set targets for the use of organic and/or locally sourced food to be served in four hospitals - and Norfolk and Norwich Hospital's organic choices in its restaurant^{lxxii}.

Recommendation 17

Trusts should follow the lead set by Government for schools by banning unhealthy food from staff canteens and replacing the products in vending machines with healthy equivalents. They should resist the temptation to install branded outlets selling unhealthy products in hospitals. Government should send this message clearly and unambiguously to Chief Executives and Finance Directors of trusts.

Recommendation 18

NHS Logistics could expand their product range (in the Catalogue) of healthy and sustainable convenience foods, suitable for canteens, cafes, restaurants, coffee shops and machines.

Collaborative Procurement Hubs (CPH), introduced as part of the SCE programme, are intended to allow individual trusts to increase their purchasing power locally. There are no case studies of CPH successes for food, since food forms such a small part of the NHS total annual spend. A tension may develop between NHS trust purchasing departments and catering managers, who may feel that the purchasing officers do not understand their needs and furthermore, budgetary autonomy enjoyed by catering managers, for example, may be threatened by CPHs. If CPHs can work with all stakeholders within trusts to increase local/regional sourcing on competitive terms, they may succeed in supporting sustainable food procurement, but it is too early to say.

CPUs – opening up opportunities for sustainable food procurement

Some hospitals have large scale factory type kitchens, commonly known as central production units (CPUs), where meals are partly or fully cooked from raw ingredients, and subsequently 'regenerated' in heated trolleys or ward-side kitchens, providing a piping hot meal for patients. The meals may be chilled or frozen, once prepared, for reheating when required and a wide range of meals can be offered, to satisfy special dietary requirements or cultural preferences. This system enables the hospital to hold a 'buffer stock' of ready meals, which they can call on as required, in response to patient choices.

NHS Estates data from 2004 indicates that about 40% of food served in the NHS is cooked fully or partly from scratch in the hospital, about 27% is prepared in a central production kitchen for the trust and reheated on site and about 33% is delivered frozen or chilled from a food manufacturer.

CPU Case studies

There are numerous examples of good practice in sustainable procurement in CPUs in the NHS, of which three examples follow.

At Nottingham City Hospital Central Production Unit (CPU), the catering manager has introduced some seasonality into the menus, creating opportunities for purchasing items which are good value, including products which have been de-listed by other clients of the wholesaler. Savings made on the one hand can be used to spend on locally sourced milk and meat, which do cost more. When the hospital merges with Queens Medical Centre, who currently procure ready meals from Geest Anglia Crown, there will be scope to supply more meals from the City Hospital CPU, with the opportunity for greater buying power for the catering manager^{lxiii}.

Cornwall Food Programme (CFP), who are currently developing a CPU with Objective 1 European funding, saved money when it changed the cheese supplier to five NHS trusts in the county. By negotiating with a local supplier to purchase cheese which did not meet supermarket specifications, CFP saved money and furthermore, by arranging for the cheese supplier to grate cheddar off-cuts for use in the hospitals, CFP saved packaging, equipment and salary costs^{lxiv}.

At Solihull Hospital, the CPU Catering Manager uses PASA approved suppliers for almost all purchasing. He has additionally begun to investigate local or regional growers and also processors (since all vegetables currently used are frozen), with a view to developing a shorter supply chain. By experimenting with both fresh and frozen produce, he has found that the regeneration

technology used for heating food on the wards is sufficient to cook fruit and vegetables without any need to precook and subsequently chill them down. He has saved energy on the cooking/blast chilling cycle and the meals are more palatable as the fruit and vegetables have undergone less processing/cooking. All meals are produced in six portion recyclable plastic trays, however no recycling contractor can currently be identified to remove the washed trays.

Although CPUs have to take part in competitive tendering processes to supply hospitals outside their own trust, there may be capacity for extending the supply of ready meals, to challenge the dominance of the two private sector suppliers.

There are also opportunities to supply clients in other sectors with ready meals and investigation of the market potential could form part of any development work which is shared throughout such a network.

Recommendation 16

CPU Managers could actively seek to develop their markets, both internally (other hospitals in the trust, other trusts including Primary Care) and externally (Care Homes, even Schools in some areas) – to challenge the dominance of the commercial suppliers and gain efficiencies through full usage of the facility.

If regional/local food sourcing with the NHS increases, the effect on local economies will be very significant, and there is also potential to improve the quality of food purchased. A good example is that of the Cornwall Food Programme (CFP)^{lxv, lxvi}, which changed the ice cream supplier to a local company providing more palatable ice cream, which did not melt so quickly and had a higher nutritional content than that previously provided. When they changed the specification to reflect the higher quality product, national suppliers declined to tender.

Recommendation 14

CPU Managers could use their purchasing power to develop local/regional supply chains for meat, dairy and fresh produce as a priority. Introducing certified¹ local producers and processors to existing wholesale distribution networks (such as catering butchers), would minimize the danger of increased transportation impacts.

All of the above examples are drawn from catering operations directly operated by an NHS Trust. Since contractors are so extensively used in NHS catering and are likely to be more so as more PFI initiatives take place, it is important that they are also fully engaged with the sustainability agenda.

Recommendation 20

Service specifiers within NHS trusts should seek to amend existing catering contracts with private contractors and ensure that new contracts negotiated under PFI initiatives take on board the sustainable food agenda.

4.2.3 Higher/further education

Universities have already demonstrated their willingness to engage with the wider sustainability issues in some respects. In the areas of staff and student transport and in the management and increasingly the design of buildings, significant progress has been achieved in some universities. Environmental Co-ordinators are in many instances in place to move good environmental management practice forwards.

However catering has not yet been given similar good practice priority and there is a general lack of knowledge about sustainability and food. For Further Education in particular, much of the provision is unhealthy, as well as unsustainable in other ways. Lack of awareness means that service specifiers do not build in sustainability related contract requirements and include key performance indicators when dealing with contractors. For directly operated catering services, the recognition by TUCO that managers do not know of the PSFPI is also significant.

There is therefore a need to widen the sustainability agenda within Universities and Further Education and to ensure that catering is included. Universities UK, the Higher Education Funding Council (HEFC) and the Learning and Skills Council all have a role to play in developing top level awareness. Universities and Further Education establishments are very used to responding to government initiatives as evidenced by such actions as widening participation and access. Therefore it is not unreasonable to expect that an initiative in the sustainability area would meet with a similar positive response.

The Department for Education and Skills has already publicized its commitment to sustainability in a 2004 policy document introduced by the Prime Minister with the words below.

Sustainable Development - Our Commitment

"Sustainable development will not just be a subject in the classroom: it will be in its bricks and mortar and the way the school uses and even generates its own power. Our students won't just be told about sustainable development, they will see and work within it: a living, learning, place in which to explore what a sustainable lifestyle means."

The Prime Minister, 14 September 2004

Source Department for Education and Skills^{lxvii}

The Department for Education and Skills Sustainable Development Action Plan is currently in the process of being updated. It represents a real opportunity to include the catering agenda and drive top level involvement with the sustainable food agenda. Policies, action plans and monitoring and measurement are all needed. Since Environmental Co-ordinators are in place in many institutions, a network of sustainability champions already exists across some of the sector to help realise aspirations.

The importance of embedding sustainable procurement practice in education cannot be underestimated. A catering student on BBC Radio 4's Food Programme³⁴ commented that the first two years of the course concentrated on skills and it was only after that that students could take the opportunity to make the connection with how food is produced and its provenance. Should not both catering management and craft students visit producers at an early stage in their training, to understand sustainable production and food culture? Aware students will soon become aware managers with scope to influence the wider catering industry.

The general student body's knowledge and understanding about sustainable food can also be developed through point of sale materials and other educational activities. The power of student opinion to influence catering services has already been illustrated through the student inspired Fair Trade University movement.

³⁴ 4 December 2005

4.2.4 Defence

The overwhelming priority for the MOD is to maintain its operational capability. The use of added value frozen produce is a key catering system requirement in relation to this. However the MOD have already identified the potential to increase the proportion of UK food procured and they should be encouraged to pursue this.

As further PFI projects are introduced, in conjunction with Pay as You Dine, there is the possibility for MOD Contract Specifiers to build sustainable food related contract terms into tenders, contracts and performance monitoring. This can be encouraged. At the same time, consumer education regarding healthy nutritious and sustainable food and its impact on state of mind and physical performance has just as much relevance in this sector as any other.

4.2.5 Prison Service and Police

It has not been possible to comment fully on these sub-sectors because there is so little published research upon which to base recommendations.

However, we note, with some delight, that a prison catering manager has just won the BBC Radio 4 Food and Farming Awards, nominated as 'Best Dinner Lady/Man'. Managing a food budget of £1.68 per person per day, Al Crisci creates innovative recipes, and works with offenders, helping them to gain NVQ qualifications in food preparation, cooking and basic food hygiene. He and his catering team of 24 prisoners are able to offer four choices at lunch and six in the evening. Prisoners earn £11.70 per week for six and a half day's work and more than 60 have passed through the training scheme to gain an NVQ^{lxviii}. With a grant from the Prison Service, a 100-cover restaurant, the Clink, will shortly be opened at the prison, where members of the public will be able to have a four course meal for about £15.

Menus at HMP Highdown

Prisoners' Menu (£1.68 per head):

Main course only: Irish stew, or oven-baked liver casserole, or chunky steak pasty, or vegetable curry or tuna and onion jacket potato, or chilli con carne.

The Clink Menu (£15 per head):

First course: Consommé of tomato with paisanne of spring vegetable or salad of endive, chicory with jamón Serrano, buffalo mozzarella and melon.

Second course: Pan-fried John Dory, marinated in honey and vinegar, or seared scallops with lemon caramel and saffron and orange rice.

Main: Paupiette of chicken with spinach mousseline in a light boursin sauce, or veal escalope en papillote with wild mushrooms and button onions, or marinade of vegetables à l'italienne.

Dessert: Orange and lemon tart with a citrus confit, or figs marinated in Chianti with lavender mascarpone and spun sugar.

The Prison Service Sustainable Development Report for 2004/2005 lists some achievements and objectives relating to sustainable food procurement, including the following:

Achievements:

- A contract has been let for the provision of fresh produce, taking account of sustainable development issues; the supply chain includes UK suppliers, SMEs and local producers;
- The Service's contract for fresh eggs appears as a case study on the DEFRA PSFPI website^{lxix};
- An action plan to reduce salt in food provided by existing suppliers is also being developed
- An action plan for ensuring catering contracts reflect the need for sustainable food procurement is being drawn up.

Future work will include further development of the sustainable food procurement action plan and consideration of ethical trading issues during management of key contracts.

It would appear that the Service as a whole is, in common with most other public sector organizations, addressing need for sustainable food procurement, while individual 'ground-breaking' initiatives show what can be done in prisons themselves.

The link between good nutrition and positive young offender attitudes and behaviour has been clearly established through a placebo controlled scientific research study by Gesch et al in 2002. Any incremental costs involved in developing inmates' knowledge and understanding about food that in turn leads to improved eating can generate positive returns for wider society.

Police catering provision encompasses both fixed canteen provision and mobile services to support large scale operations. Whilst overall police catering operations are not well documented, contractors are certainly involved in service delivery. Any move towards more good practice in terms of sustainability will therefore involve influencing the way that existing catering contracts are managed and inclusion of sustainability criteria in tender documents for the award of new contracts.

5. Ways in which government as a whole might be able to aid progress

5.1 Introduction

A challenging task for the newly-formed Sustainable Procurement Task Force is to pull together the strands of all the Government initiatives on sustainability and to ensure that these are consistently progressed across different government departments. The Task Force is potentially a crucial new development as responsibilities for public sector catering encompass the Dept for Culture Media and Sport, Dept for Education and Skills, Dept for Environment, Dept Food and Rural Affairs, Dept of Health, Home Office, and the Ministry of Defence. Progress therefore substantially depends upon an across the board commitment and joined up thinking.

To make progress with sustainable procurement, Government also has to make it much easier to procure in a sustainable way. In an ideal world, sustainability should be the default position and the Task Force should make it a high priority to seek and find the synergies between efficiency, effectiveness and sustainability.

The Food Procurement Unit team at DEFRA have done sterling work in driving forward sustainable food procurement in the public sector. However the picture, after two years of effort, has been described as “islands of good practice in a sea of mediocrity”^{lxix} and furthermore that “good practice is a slow traveller” (Morgan and Morley, 2002). The islands of good practice are the work of passionately committed catering practitioners who have been fortunate enough to gain the executive support needed, and who have worked tirelessly, often in their own time, to achieve some spectacular results. Some of these islands of good practice started before the PSFPI was launched e.g. St Peter’s School, Nottinghamshire and Kay Knight’s work in South Gloucestershire^{lxxi}. However the role of the PSFPI in disseminating information about them is fully acknowledged.

Government now needs to make interventions which will enable good practice to be replicated throughout the public sector and where any absence of such committed individuals will not be a further barrier to progress. As noted above, to be effective, interventions will need to develop more widespread **awareness** and incorporate the systematic development of **policies, action plans and targets**. Progress will need to be **monitored and reported**. There is scope for uptake throughout the public sector of the key performance indicators such as those developed by DEFRA and currently being applied in central government departments. Managers throughout the public sector must recognise that this is a Government priority against which their performance will be assessed.

5.2 Summary of Recommendations

Potential for savings to be made

- None identified

Cost neutral

1. Encourage the use of the DEFRA toolkit across the public sector as a basis for specifying and monitoring sustainable public sector catering services;
2. Where there is a clear demand for organic food, Fair Trade products or other types of sustainable food from consumers in Government controlled canteens, restaurants etc, this should always be provided;
3. Work to continually improve the food distribution system and consider providing additional incentive for the reduction of food transport;
4. Promote, through the Regional Development Agencies, opportunities for additional production of sustainable food, both from current farmers and growers and new entrants;

Cost to Government

5. Develop a national database (or adapt the new National Opportunities Portal) to meet the needs of both public sector purchasers and SME food producers;
6. Take a lead through "walking the talk" in their approach to sustainability in public sector catering within their own central organisations;
7. Ensure that areas for which Government Departments are responsible develop the full cycle of policies, action plans and targets and monitor progress.
8. Play a full role in the Sustainable Procurement Task Force to ensure joined up thinking and the implementation of a co-ordinated proactive approach managed through the RDAs and perhaps involving their appointment of sustainable food champions;
9. Promote, through the Regional Development Agencies, the development of regional facilities such as local abattoirs³⁵, blast freezing facilities and regional distribution hubs to help cut down long distance transport;
10. Where feasible, install fully equipped and energy efficient catering kitchens when investing in new buildings under the 'Building Schools for the Future' programme or financing new facilities throughout the public sector;
11. Take the opportunity (subject to feasibility study) to include a Central Processing Unit in new PFI/PPP hospitals if there is not already one in the area;

³⁵ Government has supported abattoirs regarding inspection requirements and this support should be maintained, alongside support for new facilities

12. Look to link (incremental) ongoing budget funding to specific sustainability performance targets.

Other minor recommendations are contained within the following subsections.

5.3 Promoting opportunities for SMEs

Government is currently devoting much effort to encouraging the public sector to deal with SMEs, through the Small Business Service, sponsored by DTI. However there are factors other than SME support to consider when weighing up the social, economic and environmental advantages of doing so. Research by Lynch-Wood and Williamson^{lxxii} reports that, while the aggregate economic impact of SMEs is positive, there is little evidence of their environmental impact. The authors cite estimates that SMEs accounted for 60% of total carbon dioxide emissions from business in the UK and 70% of all pollution. The Environment Agency has reported that they are responsible for 60% of commercial waste and 80% of pollution incidents. As has been mentioned before, food producer SMEs must also recognize the need to comply with HACCP procedures if they are to interface effectively with public sector procurers and supply safe food.

However, there are also many small food producers who are passionate about their exemplary practice. For those who are organically certified, inputs and emissions (through not using fertilizers and pesticides which carry negative environmental impacts including those involved in both their manufacture and transportation) are minimal.

Once again, it is important to raise the uncertainties about the environmental impacts of food miles and the possibility that fragmentation of the food supply chain by increased local/regional sourcing from small producers could lead to an **increase** in transport and other impacts, unless the current distribution system is rationalized. More research is needed to unravel the intricacies of this.

Supply chain practice such as consolidators and reverse-haul already help to increase logistical efficiencies^{lxxiii}. The Food Chain Centre, headed by IGD's Research Director, is examining how the supply chain can be further improved and made more sustainable^{lxxiv}. Its approach is for a retailer or a foodservice company (or, by extension, a public sector procurement department) to establish a team that examines the chain in all its aspects, including transport, and recommends ways of cutting out waste and other improvements.

The decline in the number of small regional abattoirs and the (lack of) availability of processing facilities such as blast freezing³⁶ have all compounded the distribution

³⁶ for example, Welsh lamb producers have not invested in freezers, preferring to sell their prime cuts chilled to supermarkets

problem. There is scope for Government intervention to address the impact of some of these inefficiencies through an environmental tax, such as the proposals for road pricing for hauliers³⁷. However it is acknowledged that, since the price of food already includes excise duty, there is already significant incentive towards very efficient distribution.

Section 3.1.2, referring to supply side resistance, describes evidence of lack of motivation on the part of small local food producers to contract with the catering sector and this is well described in the IGD publication^{lxxv}, which sets out the catering sub-sectors which are most appropriate for really small suppliers to target. The move to total farm support potentially gives an opportunity for new quality producers of sustainable food products and RDAs have a role in promoting an increase in supply side capacity. This would help free up the market and make supply to the public sector more attractive.

Whilst expanding the supply side may go some way towards resolving SME supply limitations, the pros and cons of dealing with SMEs have already been mentioned. There is a middle ground, comprising British food producers with annual turnover measured in £ millions rather than £ thousands. Although still technically SMEs, these businesses are much more likely to have the will to deal with large contracts, the ability to satisfy food safety and delivery requirements and deal with e-commerce to ease administration. An example of such a business is given in the DTI/Small Business Service publication^{lxxvi}, in a case study of Histon Produce, a chilled food supplier and processor of fresh fruit and vegetables to a wide range of public and private sector bodies in East Anglia.

5.4 Potential for electronically enabled food procurement

Current food purchasing practice for the retail and foodservice sectors involves sourcing in the following ways:

- historical knowledge held by the team (experience, previous dealings etc);
- direct approaches by manufacturers or their agents;
- contacts made at exhibitions and meet the buyer events;

³⁷ “The Secretary of State for Transport announced in a Statement to the House of Commons on 5 July 2005 that distance-based charging of lorries will be taken forward as part of the wider work on national road pricing, to work towards a single, cost effective and comprehensive system. The procurement for Lorry Road User Charging (LRUC) will therefore not now be taken forward. The work undertaken to develop LRUC has however confirmed that national distance-based charging has the potential to offer a workable and practical way forward. The Government will continue to work with the road haulage industry and ensure that we carry the full experience gained from the project into the wider work to develop a national road pricing system for cars and lorries, reflecting the concerns of road haulage operators.”

- word of mouth from existing contacts e.g. if a buyer is seeking a new source for products, he may ask around within his supply base and receive information about potential sources;
- as a last resort, buyers might search in trade directories or on the internet.

The process is therefore subject to the variable marketing efforts of the producers/manufacturers as well as “who knows who”. If a buyer wants to track down food products which meet certain sustainability criteria (e.g. UK grown, organic, fair trade, assured food, food which is fresh at the point of delivery), they are reliant upon their normal supplier, most often a delivered wholesaler, or on spending valuable time identifying (for example) an organic or British grower who meets their specification for quality, food safety and environmental standards.

The challenge is to make this process easier. Suppose that searching on the internet was not “a last resort”, but offered savings in time, guaranteed criteria and opportunities to plan ahead as well as to take advantage of any seasonal gluts. What if a grower who has just had a ‘perfect’ apple crop rejected by a supermarket as too small, could immediately offer them for sale through a web-based public sector procurement “clearing house”, rather than sending them for juicing or to wholesale markets, at a derisory price? Customers using the web might include the School Fruit and Vegetable Scheme³⁸ or contract caterers wishing to cook seasonal desserts.

Resources could be put into developing a powerful and credible web-based database, which is not “a last resort” for buyers. Entry to such a database would require supplier pre-qualification criteria, such as a level of food assurance (food safety and environmental), ability to deliver produce, etc. In time, the pre-qualification criteria could be expanded to include the supplier’s credentials in respect of environmental management and employment policies and practice.

It is acknowledged that Food from Britain has established a web-based database³⁹ for regional food and drink and also carries a trade directory on its main website. However the level of information about the suppliers is more appropriate for consumers. Essentially it is a signposting service, as are the various information sites for different commodities (e.g. fresh info and Fresh Produce Journal⁴⁰).

A detailed description of such a facility, as proposed in the draft Strategy for Public Procurement of Food from the South East^{lxvii}, is included at Annex 3. Rather than

³⁸ Currently contracts are negotiated well in advance between the DoH and producers, however if the procurement for the scheme was taken over by LAs, there could be more flexibility to take advantage of availability.

³⁹ <http://www.regionalfoodanddrink.co.uk/>

⁴⁰ http://www.freshinfo.com/index.php?s=r&ss=dr&parent_id=145

having Regional Development Agencies (RDAs) sponsor several different schemes in different parts of the country, it must surely make sense for a Government department such as OGC or DEFRA to commission such a facility directly.

The above proposal is in some respects equivalent to the OGC/Business Link project currently in development (Supplier Route to Government Phase 2 or SRG2⁴¹). The New National Opportunities Portal⁴² (set to launch in early 2006) aims to ensure that the service becomes the established way of procuring Government (and all public sector) contracts for under £100,000. Experience gained from developing the SRG2 project can be used to good effect.

However, there is also no specific reason why the facility should be restricted to public sector purchasers. It could be open to all foodservice purchasers, possibly on payment of a reasonable fee by private sector buyers. It is possible to envisage that local authority procurement departments could make it a contract condition that contractors use the database to source produce which meets the standards they require (or it could just be the easiest thing for the contractors to do).

It is acknowledged that – for public sector procurement officers - buying food in this way would only be permitted for contracts <£100k or for 'off-contract' purchasing, which is quite commonly practiced. If the database was set up in the same way as the proposed portal, tenders for contracts over the threshold could be invited and as long as they were also invited through OJEU, the procurement rules would be satisfied. There are no such restrictions for the private sector, who would be given easy access to more sustainable producers through the database.

To establish and populate such a database would require considerable resources both to develop it and in terms of marketing its benefits to both food producers and buyers. We would propose that, rather than leaving it to chance, UK-based producers should be mapped (DEFRA, The NFU, RDAs and others will already have much of this data) and approached to participate. And perhaps a good starting point would be to include all PASA approved suppliers with an interest in tendering for smaller contracts.

⁴¹ SRG2 will be unique because it will encompass all of central and local government. As a government owned (as opposed to commercially owned) portal it will form a direct link between a government buyer and government supplier without intervention from any third parties. It is a government-sponsored portal intended to be of common benefit to government procurers and suppliers alike.

⁴² See <http://www.supplyinggovernment.gov.uk/newportal.asp>

5.5 Promoting sustainable food procurement in the public sector

The DEFRA Catering Services and Food Procurement Toolkit

DEFRA staff have reported that this was used to tender for their current catering contract in London and Guildford, and the Centre for Management and Policy Studies have used it (see below). We have anecdotal evidence that the House of Commons has also used it, but have not checked this.

Case Study – the DEFRA Catering Services and Food Procurement Toolkit in Action

The Centre for Management and Policy Studies (part of the National School of Government) has recently used the Toolkit (in part) to re-tender the contract for one of their training facilities. The manager had not tendered a catering contract for a few years and found that the clear guidance on how to incorporate sustainability issues into the contract helped her to focus on these. The successful contractor won because of an innovative approach, including willingness to invest in the on-site kitchen (which had previously been effectively 'dead space'), healthy and sustainable menu options including some organic choices and attention to food sourcing and packaging.

Source: Fiona Field, CMPS, personal communication, November 2005

Best Value indicators and other metrics may require some review to properly take account of sustainability and the toolkit can help with this. An example of an inappropriate metric was cited earlier in this paper in section 3.1.1 (page 14) and the damaging effects of inappropriate targets or indicators regularly make headlines in the national press. It is essential to ensure that the metrics used by Audit Commission inspectors do not work against the principles of sustainability, including sustainable procurement.

A best practice example shows how contract evaluation can be split so that quality takes precedence over price (for example Northumberland County Council weighted quality:price as 60:40^{lxxxviii}). This sort of approach – which can incorporate the 'whole life costing' concept as well as meeting sustainable procurement objectives – should be widely publicised in advice to public sector procurement officers.

Recommendation 1

Government should find a way to encourage the further use of the DEFRA toolkit across the public sector, as a basis for both effective specification of service and performance monitoring. It is being revised and simplified in response to user comment and to make it easier for users to target the section(s) that are specific to their needs.

Leadership from Central Government

As previously mentioned, DEFRA has produced mandatory performance indicators for catering services in central Government and this should help to speed progress. However, it has been observed that executive agencies such as the Environment Agency have made only limited progress on sustainable food procurement though they are now beginning to place contracts with local and regional suppliers^{lxxix}. The recommendations of the NAO on sustainable procurement in Central Government are relevant here.

As well as indicators measuring contracted provision of assured food, local/UK sourced fresh, unprocessed food, Fair Trade products, organic and healthy food, the DEFRA indicators include the proportion of catering units with recycling facilities, as well as the proportion with separate metering for gas, water and electricity. They are therefore beginning to address the broader spectrum of sustainable food procurement in terms of environmental management, namely energy and water consumption within catering units, as well as the amount of waste produced. The amount of food and packaging waste is an extremely important indicator for caterers, and it is almost universally ignored at present. Good food leads to less waste and sustainable food procurement should mean less packaging.

Government departments are therefore in a position where they can both “walk the talk” in their own central organisations and facilitate sustainable practice throughout the public sector by ensuring improvements are initiated in those areas of it for which they are responsible, and by ensuring a comprehensive system of policies, action planning, targets and performance monitoring is in place in those areas of the public sector for which they hold responsibility.

RDAs will be important agencies in progressing developments and some have already developed sustainable food policies that incorporate actions relating to public sector catering. In view of the wide range of public sector sub sectors in which catering services are provided a cross cutting sustainable food champion might be one effective way of achieving progress. If ring fenced, target based, incremental expenditure can also assist progress this is all to the good.

Recommendation 6

Government Departments can therefore provide leadership by developing their own comprehensive action plans that address all the various areas of sustainable food procurement identified by DEFRA, within their own central organisations, including waste, energy and water consumption. They can also take a lead in being held accountable, through the publication of progress against KPIs.

Recommendation 7

Government Departments can ensure that policies, action plans and progress measurement systems are developed throughout those areas of the public sector for which they are responsible. Active participation in the Sustainable Procurement Task Force can also help develop joined up thinking across different public sector areas and provide support for co-ordinated action by RDAs.

Recommendation 10

When investing capital in new buildings, such as the 'Building Schools for the Future' programme, it should be mandatory to install fully equipped catering kitchens (where justified by the size of the school) with state of the art energy and water efficient equipment and independent energy metering. This is justified on a 'Whole Life Cost' basis.

Recommendation 11

When building new hospitals under Private Finance Initiative and Public Private Partnerships, Government should take the opportunity to include new Catering Central Processing Units, particularly if a feasibility study indicates that there is scope to provide ready meals to other hospitals in the area (for example, if they are already purchasing these from private sector suppliers).

5.6 Promoting the opportunities for introducing social, employment and environmental considerations into public sector contracts

This is illustrated by the following example.

Sustain's Public Procurement Roundup e-newsletter of 14 September 2005, made reference to two new European Directives⁴³.

The Public Sector Directive, Article 26 states:

⁴³ The Public Sector and Utilities Directives, coming into force in the UK in January 2006.

"Contracting authorities may lay down special conditions relating to the performance of a contract The conditions governing the performance of a contract may, in particular, concern social and environmental considerations."

Recital 33 states:

"Contract performance conditions...may, in particular, be intended to favour on-site vocational training, the employment of people experiencing particular difficulty in achieving integration, the fight against unemployment or the protection of the environment." It goes on to include compliance with basic ILO Conventions and recruiting more disabled people as initiatives that may also be included.

The TUC have claimed that Government seems to have adopted a narrow and minimalist interpretation of the new Directives. It cites, for example, the OGC Sustainable Procurement Group, in its Joint Note on Social Issues in Purchasing, states that the new Public Sector Directive "clarifies the scope to take social and environmental issues into account" at the relevant stages of the procurement process. Yet the Directive does not merely clarify the existing position, it offers important new opportunities.

There may therefore be scope for Government Departments to both incorporate wider social and environmental considerations in their own central organisations and to promote their development throughout the public sector.

5.7 Addressing the barriers of ignorance, suspicion, confusion, lack of information and accountability

Action required under this heading has already been identified in the NAO report on sustainable procurement in central government, however these barriers are probably the key factors hindering progress in sustainable food procurement.

Addressing these barriers is core business for the Office of Government Commerce and more recently, the Sustainable Procurement Task Force. The Government's Sustainable Development Strategy promises a new information service "Environment Direct", to "fill an information gap for both individual consumers and procurement professionals, and expose the whole supply chain to information about the performance of goods and services". The service is expected to be launched at the end of 2006. To avoid the barrier of 'information overload', simple messages are needed.

High quality training is also badly needed and there may be scope to expand the generic programme currently run for NHS managers by CRiSPS. However, given the range of factors that affect sustainable procurement of food and catering, specific

training is also justified. Whilst this report has highlighted numerous examples of good practice, it has also drawn attention to a general lack of awareness about sustainability. There is a clear need for programmes to generate awareness of good practice throughout public sector catering, encompassing contractors as well as direct service providers.

Some contractors have already recognized this need. Sevita (the European purchasing division for Compass Group) have commissioned a training programme on sustainable food procurement for their buyers. Enabling catering service specifiers and catering managers to demand sustainable food would also seem to be a better use of resources in future than continuing to run training workshops for SME suppliers.

Government should also ensure that the reinterpretation of EU regulations concerning the use of organic food in catering is widely disseminated and that caterers throughout the public sector are quite clear about what they can and cannot do. Where there is a clear demand for organic food from consumers in Government controlled canteens, restaurants etc, this should always be provided. Such demand should be stimulated by staff surveys and other means of raising awareness about the benefits of sustainable food. The EU Organic Action Plan recognises the need for such promotional activity. Fair Trade food, which has a similarly high profile for consumers and which brings social and economic benefits for developing countries could be similarly promoted.

There is very little evidence that there is much current demand for local food from consumers eating at work. Awareness and – following on from this – demand, could be stimulated, however, by publicising the origin of food. Even though explicit specification of British produce is forbidden at the procurement stage, when it is served, this fact can and should be publicised. If consumers can identify the provenance of food from the menu, they are far more likely to become interested in the sustainable credentials of foods. Menu transparency should be obligatory practice throughout the public sector.

Development of consumer awareness in the School and Higher/ Further Education sectors is particularly important since it offers the opportunity to influence long term demand for sustainable food and the prospect of improved health.

6. Synergies and differences between policies to increase sustainable food procurement and to increase nutritional standards of public sector food

The authors believe that there is a very good fit between the drive towards provision of more nutritious and healthy food and the sustainable food and catering agenda. Indeed promoting good health through a balanced diet and safe food is a key requirement of a sustainable approach. Increased attention and awareness about

food and nutrition from all those involved in the food chain will result in preparation and consumption of healthy food that has been produced with good provenance and prepared with respect.

The move to reduce salt and fat content of foods can be achieved through less food processing. However, despite fresh raw ingredients being desirable in terms of sustainability, (depending on how they are produced, where they are sourced and how they are delivered), conventional catering systems may not always be able to make best use of them. High quality raw ingredients may be badly prepared, rejected by the consumer and thereby wasted. There is therefore also a clear role for added value chilled and frozen pre-prepared food that can be quickly regenerated using specialist equipment.

CPU catering systems that produce such food can base dishes around high quality seasonal food, produced in sustainable low impact growing and rearing systems and unadulterated by un-necessary additives. The use of regenerated frozen or chilled meals can safely deliver nutritious and healthy food and provide greater choice, e.g. (in hospitals) for special diets and cultural preferences. They may also generate less waste if acceptability increases. Whilst use of these systems may involve some sustainability trade offs, it is likely that benefits may outweigh the costs.

Given acceptance that, within a sustainable approach, use of appropriate up to date technology has a role in some areas of public sector catering, it seems that there is no inherent conflict between such an approach and increased nutritional standards. Catering systems using high quality ingredients and fit for purpose technology can deliver safe, nutritious and appetising food.

One of the trade offs in this approach might be the loss of benefits of supporting the local economy by use of food procured from as nearby as possible. However more dispersed development of CPU's can mitigate the impact of this. Other sectors of the public sector such as schools, higher and further education and prisons may also be better placed to pursue the local procurement agenda.

Other aspects of the sustainable food agenda such as food being socially inclusive and fairly priced will assist wider access to good nutritious food and promote a more healthy population. Building social and employment considerations into a sustainable food approach can also bring additional health dividends.

A policy of considering the whole life, indirect as well as direct, costs and benefits of sustainable food would include these benefits.

Recommendation

Government can commission research to develop further understanding of the synergies between sustainable food and good nutrition and health and all the whole life costs and benefits involved.

7. Conclusions

This report has sought to examine the extent to which the sustainability agenda has been realised in the current approaches to public procurement of food and catering services. As demonstrated in the above pages there is no shortage of examples of good sustainable practice throughout the public sector. The challenge is to make good practice common practice and this is still a very long way from being the case. A huge amount still needs to be done and there are many obstacles to overcome. Nevertheless, the authors' view is that (notwithstanding limited general awareness of sustainability issues), many of the drivers to make more widespread progress are now in place. The recommendations for additional action, proposed in this report might help further. Some have no cost implications, but others would require incremental expenditure.

Given the complexities of public sector catering and its governance and the many dispersed organisations involved in its delivery, changing practice will inevitably take time and progress will be faster in some areas than others. Yet overall it seems that there are real grounds for cautious optimism.

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ⁱⁱ *Buying Green! A Handbook on Environmental Public Procurement*, Commission of European Communities Working Document, 2004, EU, Brussels.

ⁱⁱⁱ Sustainable Development Commission, 2003a, *Food and Farming*, <http://www.sd-commission.gov.uk/wp/03.htm>.

^{iv} *Public Sector Catering; opportunities and issues relating to sustainable food procurement*, Sustainable Food Chains Briefing 2, retrieved 23.11.05 from <http://www.sustainweb.org/publications/downloads/briefing2.pdf>.

^v *Action Plan to develop Organic Food and Farming in England - Two Years On*, retrieved 23.11.05 from <http://www.defra.gov.uk/farm/organic/actionplan/actionplan2year.pdf>.

^{vi} *PSFPI Information to assist in writing specification clauses*, Annex 1 to Appendix 2 of Catering Services and Food Procurement Toolkit, retrieved 6.01.06 from <http://www.defra.gov.uk/farm/sustain/procurement/pdf/psfpi.pdf>.

^{vii} Manual – including templates and guidance: *Catering Services and Food Procurement Toolkit* and spreadsheet *Service Delivery - Spreadsheet Contract Price Evaluation*, obtainable from <http://www.defra.gov.uk/farm/sustain/procurement/toolkit.htm>.

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- xxi Deutsche Bank AG Global Equity Research Industry Update on European Catering, dated 10 March 2005.
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