SUSTAINABLE FOOD PROCUREMENT IN THE PUBLIC SECTOR

A POLICY SUBMISSION

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SUSTAINABLE FOOD PROCUREMENT IN THE PUBLIC SECTOR

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FOREWORD

Our aim in this report is to find the best mechanisms for greatly improving the quality and sustainability of food served throughout the public sector, for example, in schools, hospitals and the armed forces, with an emphasis on reducing the distance between producers and consumers.

The benefits are many. Good quality food has direct physical and mental health impacts. By shortening the distance between food producers and the final consumer, we will be cutting ‘food miles’. And by emphasising locally available food, we will be ensuring that much more of the £2 billion currently spent on such food is invested into the rural economy, where it is much needed.

The question for our working group was how do we best achieve this? As the report details, the voluntary approach has failed. It has absorbed an enormous amount of public money, without delivering significant results.

The unanimous view of the working group is that we need something more than a voluntary approach, and that it is possible we will need to bring in mandatory basic standards together with mechanisms to allow for continuous improvement.

This report details how those standards would work. But rather than simply impose them centrally on all schools, hospitals and local authorities immediately, we favour a more democratic and localised approach.

We therefore advocate the introduction of a local ‘trigger’ mechanism that parent groups and patient groups can easily deploy to force their local schools and hospitals to meet these basic standards – and where there is demand, to exceed them.

For this to work effectively, an obligation of transparency needs to be placed on all public sector providers to ensure that procurement contracts and all relevant information relating to them are absolutely available for public scrutiny.

Where procurement is centralised, such as in prisons and the armed forces, this mechanism simply would not work and the mandatory approach is, therefore, unavoidable. As this report explains, such improvements can be made without increasing the overall cost.

If in time it becomes clear that the trigger mechanism has failed to effect change at the speed and on the scale required, then we would expect the standards to be introduced on a mandatory basis.
INTRODUCTION

Food served in schools and hospitals has become a political issue. There is a growing consensus that the nation’s eating habits represent a major health, environmental and economic challenge and that our current food supply chain and consumption habits are unsustainable in the long term. We all remember Jamie Oliver challenging Tony Blair to prioritise school meals after his ‘Feed Me Better’ campaign collected more than a quarter of a million signatures.

Despite some progress, we face a mounting public health crisis with levels of obesity, diabetes and coronary heart disease increasing. It is estimated that in 2009 excess weight and obesity cost the NHS £4.8 billion.\(^1\) A third of all deaths from heart disease\(^2\) and a quarter of all cancer-related deaths can be attributed to poor diet.\(^3\) According to ‘Food Matters’, a report by the Cabinet Office Strategy Unit in 2008, if UK diets met nutritional guidelines, 70,000 premature deaths could be prevented each year.\(^4\)

Dramatic health inequalities are still a dominant feature of health in England across all regions. People living in the poorest neighbourhoods, will, on average, die seven years earlier than people living in the richest neighbourhoods. For example, in one ward in Kensington and Chelsea, a man can expect to live to 88 years, while a few kilometres away in Tottenham Green, one of the capital’s poorer wards, male life expectancy is 71.\(^5\)

Mental health problems affect more than 25% of all people and are on the increase. There is a growing body of research demonstrating the long lasting impact of diet on mental health and linking diet to anti-social and criminal behaviour. Teachers and parents have noticed that recent improvements in nutritional standards in school meals are having a marked effect on children’s behaviour and ability to concentrate and, thus, to achieve better results.\(^6\)

At the same time, there are serious ecological problems with our current food consumption. The food chain creates 18% of greenhouse gas emissions in the UK and is responsible for 10% of industrial water use, 10% of the industrial waste stream and 25% of road freight.\(^7\) Food consumption and production contributes to a third of our ecological footprint,\(^8\) representing one of the most significant ways in which our current lifestyles have an impact on natural resources.

\(^2\) Quality of Life Policy Group, September 2007, Blueprint for a Green Economy, citing: British Heart Foundation, 2003, Coronary Heart Disease Statistics.
\(^7\) Department for Environment, Food and Rural Affairs (Defra), 2006, Food Industry Sustainability Strategy.
\(^8\) World Wildlife Fund, One Planet Living, <www.wwf.org.uk>
Agriculture meanwhile is an industry in crisis. Fierce global competition, BSE and foot and mouth disease, rising costs, the disproportionate burden of UK regulation and an increasingly powerful retail sector squeezing supplier prices, have all contributed to the industry’s difficulties. Farm incomes have been falling: down by 11% since 1997 in real terms. Farmers are going out of business at an alarming rate. We now import roughly 40% of the food we need. Between 1997 and 2008 the area put down for vegetables declined by 25%. Now, 90-95% of all fruit is imported.

Britain is, therefore, becoming increasingly reliant on the global food system. But like all global systems it is vulnerable to international political crises, rising fuel costs, terrorism, population increases and above all, environmental change. Indeed, London’s supermarkets have only a three-day supply of food in stock; even the snow of January 2010 caused some food shortages.

Despite this, the British government has never viewed food security as a policy concern. Even as food prices began to soar in 2008 on the back of rising fuel costs, declining harvests and the increased use of land to grow biofuels, Defra claimed that “because the UK is a developed economy, we are able to access the food we need on the global market.”

In August 2009, the government finally announced a consultation to see how Britain could improve its food security.

**Triggering a Shift**

One of the most immediate levers that the government can use to boost farm income, stimulate the market in sustainable food and raise the standard of food for a large number of people is public sector procurement.

The government spends approximately £130 billion of our money each year on goods and services. Between £1.8 and £2.2 billion of this is spent on food. Around £600 million of this is spent on school food, £300 million on hospital meals and £135 million in armed forces bases.

Public sector procurement provides well over a million meals every day, not including staff meals. Every year the NHS alone buys over 300 million meals for staff, patients and visitors, spending £500 million in the process.

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9 Defra, 2005, *Agriculture in the UK.*
14 For a detailed definition of sustainable food please see p. 8.
Every year the NHS procures over 300 million meals to the value of £500 million:

- 250,000 litres of orange juice
- 12.3 million loaves of bread
- 62 million litres of milk
- 1.3 million chicken legs

Healthy and Sustainable food for London (2006):
London Development Agency

If this money was invested in sustainable, more seasonal produce, it could provide a significant boost to farmers and would make good quality food available to many more people.

If just 20% of the money spent on food in London’s 69 hospital trusts was spent on local food, it would provide a boost for local farming and food businesses in the South East of over £3 million a year. If 3,600 primary and secondary schools sourced 50% local and 30% organic produce, it would create a new market for local and organic produce worth £66 million.

Investing in this way would provide nutritious food for some of the most vulnerable members of society: children through the school meal service, patients in hospitals and the elderly in care homes. It would benefit the environment through reduced ‘food miles’, reduced congestion from freight and by encouraging farming with fewer pesticides and ultimately, greater biodiversity.

And it doesn’t have to cost more. The Royal Cornwall Hospital Trusts, for example, already source 83% of their food from local Cornish producers. The programme has cut food miles by 67%, and even more impressively its dinners have been rated ‘very good’ or ‘excellent’ by 92% of patients. All that, and the overall cost has remained the same.

Food was one of the first procurement areas to receive focus through the establishment of the Public Sector Food Procurement Initiative in 2003. However, despite a proliferation of government initiatives, guidance documents and the expenditure of huge amounts of tax payer’s money (figures produced by Sustain show that over £50 million of taxpayers’ money has been wasted on failed government initiatives on hospital food alone over the past 10 years) progress has been negligible.

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20 Defra, Catering Services and Food Procurement Toolkit <http://www.defra.gov.uk/foodfarm/policy/publicsectorfood/resources.htm>
Recent National Farmers Union (NFU) figures show that only an estimated 2% of
government procured food is currently sourced locally.22

Years of Compulsory Competitive Tendering, a lowest-cost culture and an
unsupportive audit framework has led to a public procurement system that does not
value good quality sustainable food, and does not offer value for money, even by the
narrowest definition. These are systemic problems, which 10 years of voluntary
initiatives with no incentive for uptake, have been unable to overcome.

There is a broad consensus within central and local government, public sector
purchasing bodies, primary producers, food service companies and non-governmental
organisations on the need for improved standards in public sector food procurement
and catering. Bureaucratic mismanagement has undermined the professionalism and
motivation of procurement and catering staff, and strong leadership from central
government is now needed to drive reform.

A 2008 government report described the current food policy landscape in the UK as a
“patchwork” and “somewhat less than the sum of its parts”.23 Deloitte has called for
‘greater coherency’ in food policy24, and Sustain has labeled government policy over the
past 10 years “a catalogue of failed initiatives and wasted public money”.25

The government has failed to take advantage of an enormous opportunity, both to
support British farmers and to make good quality fresh food available to everyone,
regardless of their means. We intend to make this a priority.

**Our Approach**

Our task in this working group was to find a policy lever to bring examples of best
practice into the mainstream of public sector food procurement. It is our view that to
achieve a widespread uptake of sustainable food procurement, we need to make it
possible, even easy, for patient groups and parent groups to force a change themselves
using a local democratic trigger mechanism (see page 28). If this fails to deliver change
at the speed and on the scale required, we would need to introduce basic mandatory
standards.

The new Code for Sustainable Food proposed in this report is intended to provide a
clear, simple, workable set of standards for application throughout the public sector
from hospitals and care homes, to schools, prisons, the Armed Forces and in public
sector workplace canteens. It is based on the experience of what has worked and what
has not in the efforts to improve public sector food over the past decade.

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22 NFU, 2006, Public Procurement Strategy.
%20evaluation.pdf&gt;
The recipients of public sector food are often the most vulnerable members of our society.\textsuperscript{26} By changing food policy we will make good quality sustainable food available to everyone regardless of economic status.

We are in a challenging economic climate and our proposals have been written with these economic realities in mind. Evidence shows that the basic baseline standards proposed are achievable without increasing expenditure in this area. Cost savings can, in fact, be made when these proposals are coupled with an increased uptake and better, more efficient procurement practices.

Legal advice provided to the Taskforce has confirmed that the group’s policy proposals are compatible with EU law.

The Labour party has failed to fulfil its commitment to make the UK a leader in sustainable procurement by \textsuperscript{2009.\textsuperscript{27}} These proposals can change that. By providing an effective mechanism to stimulate system-wide change and innovation these proposals can make the UK’s ambitions in this field a reality.

\section*{Food Education}

It is not part of our remit to look at education but all the evidence suggests that incorporating food education and cooking into the curriculum is both important and popular. Growing and cooking food – as a process – has a value in itself.

In the UK today increasing numbers of people and particularly children feel disconnected from society. A recent UNICEF report found that Britain was the worst place in the industrialised world for a child to grow up.\textsuperscript{28} Equally, people are increasingly disconnected from where the food they eat comes from. A recent poll on behalf of the Home Grown Cereals Authority found that almost a third of those surveyed believe oats grow on trees, just under a fifth think eggs are a vital ingredient in making bread and one in four teens thinks bacon comes from sheep. As London’s Food Tsar Rosie Boycott said: “if you don’t know the source of your food, what hope do you have of ever eating the right stuff?” Revealingly, Britain consumes 49\% of all ready meals in Europe.\textsuperscript{29}

More disturbing still is the clear evidence of a broader cultural failure to understand and apply the basic maxim “You are what you eat”. This failure to appreciate the importance of good quality, healthy food can, all too often, be seen in the attitude of the government, procurement staff, catering staff and even the nurses and care assistants in our hospitals, to the food served in our public sector institutions.

\textsuperscript{26} For example children on free school meals, the sick, elderly or mentally impaired in our hospitals and care homes and prisoners and young offenders in our prisons and young offender institutions.

\textsuperscript{27} In 2005, the UK committed to being among the leaders in sustainable procurement by 2009. See Deloitte, 2009, op. cit. P. 11.


In the UK, 10.9% of children entering school are obese and 12% overweight. Shockingly by year six these figures have risen to 21.6% and 14.7%, respectively.30 “The problem is hugely exacerbated in poor neighbourhoods where low-cost supermarkets don’t sell fresh produce, and fast-food restaurants (chicken and chips is just 50p) circle the schools like vultures”.31 And yet, it has been shown by the NFU that 93% of children are prepared to alter their eating habits when given the opportunity to grow and cook their own food.32

There are also major environmental gains to be made from food education. A carbon footprint is a remote and abstract idea that is hard to engage with - especially for children - but the one thing we all do is eat and so, of all the levers for change, food is by far the most far reaching. By educating children about the environmental impacts of the way in which the food they eat is produced, processed and transported, we can teach them about the importance of the natural environment and ensure that the next generation of consumers are much more environmentally aware.

Schools should include growing food in their curriculums. For some that will mean twinning with farms, a policy already put forward by the Conservative Party. For others, it may literally mean building their own smallholdings and whenever possible new schools planned under ‘Building Schools for the Future’ should have onsite kitchens.

Looking Forward
The proposals contained in this report can – and are designed to - be implemented without increasing the overall costs. The approach we are proposing can help to deliver on the ground savings through better, more efficient, procurement practices. It will also allow significant savings to be made elsewhere in the public sector by, for example, reducing the strain on the NHS through dealing with the consequences of diet-related ill health.

However, there is a strong argument that we spend too little on public sector food and catering services in this country (particularly for school children). When the economic situation stabilises, we would strongly recommend a programme of increased long-term investment in public sector food procurement. In particular, more money needs to be spent per meal on raw ingredients, and steps need to be taken to enhance the prestige of the catering profession, provide more on-the-job training and attract the best people into the public sector.

Definitions:
What is Sustainable Development?
Sustainable development is defined as development that meets the needs of the present, without compromising the ability of future generations to meet their own needs.\textsuperscript{33}

The European Union is committed to sustainable development,\textsuperscript{34} which it believes offers ‘a positive long-term vision of a society that is more prosperous and more just, and which promises a cleaner, safer, healthier environment – a society which delivers a better quality of life for us, for our children, and for our grandchildren. Achieving this in practice requires that economic growth supports social progress and respects the environment, that social policy underpins economic performance, and that environmental policy is cost-effective’.\textsuperscript{35}

What is Sustainable Food?
The concept of ‘sustainable food’ is not new. It is, however, complex and there is no single agreed definition of sustainable food. However, the proposals produced by this panel are intended to address a wide range of sustainability issues including health, environmental, ethical and animal welfare imperatives.

For the purpose of this report, sustainable food is defined as food and drink that is produced, processed and traded in ways that:

\begin{itemize}
  \item provide social benefits, such as good quality, safe, healthy and nutritious food for consumers;
  \item contribute to thriving local economies and sustainable livelihoods both in the UK and in other producing countries;
  \item respect environmental limits in its production and processing, while reducing energy consumption and improving the wider environment;
  \item protect the welfare of farmed and wild species;
  \item support rural economies and the diversity of rural culture, particularly through an emphasis on consumption close to the point of production; and
  \item meet the needs of less well-off people.
\end{itemize}

\textsuperscript{33} United Nations World Commission on Environment and development, 1987, \textit{Brundtland Report}.

\textsuperscript{34} Article 6 of the consolidated version of the Treaty establishing the European Community states that “environmental protection requirements must be integrated into the definition and implementation of the Community policies and activities referred to in Article 3, in particular with a view to promoting sustainable development”.

\textsuperscript{35} Communication from the European Commission, 2001, \textit{A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development}
THE CASE FOR CHANGE: A CODE FOR SUSTAINABLE FOOD

The ‘Code for Sustainable Food’ will result in healthier, more sustainable food across our public services. It is based on the principles of fairness and flexibility. The design process has drawn upon the experiences of what has worked, and what has not, in an effort to improve public food here and aboard.

Public food is the one part of the food system where the government can set the ‘choice environment’ and nudge Britain towards healthier, more sustainable choices. In doing so, it can generate huge benefits for public health and for sustainability, as well as for the vitality of the rural economy and for social capital. Public food is where the government can, and should, demonstrate leadership and where it can have a direct impact. These impacts stem from the scale of public sector food provision. The public sector in England and Wales serves millions of meals a day. These meals feed those in public care (from school children to care home patients to prisoners), the public sector workforce (from nurses to soldiers to civil servants) and others, such as hospital visitors. The public spending on food in England has been estimated at £2 billion a year; the whole market is larger because that £2 billion excludes spending in canteens by staff and visitors.

The Code for Sustainable Food will boost demand for the kinds of high quality ingredients produced by British farmers and so support those who care for the rural environment. And as public food gets healthier, it will help to address the chronic problems of diet-related ill health that afflict Britain, which shorten lives and burden our health and care services. The Cabinet Office estimated that there are around 800,000 obese people in the UK public sector workforce alone and a further 2.4 million overweight.

With the Code for Sustainable Food in place, consumer choice and local demands and opportunities will drive change at the speed and in the direction that suits each locality. But action from the centre is needed to give the individual consumer a voice by tackling the market failures that bedevil the system today. History is clear: a simple voluntary approach will not work. Local people and local users must be given the tools to force change themselves. If that fails to deliver real results, we must be willing to introduce mandatory standards to ensure that the opportunity to access better food is equitably distributed, and that the system efficiencies that are there for the taking are realised.

Systemic Failure

There has been no shortage of initiatives trying to raise the general standard of public sector food in Britain. Ministerial exhortations, guidance, toolkits and good practice case studies abound. But they have largely been ignored. The voluntary approach has been proven, time and again, to be incapable of delivering systemic change.

Existing Government Initiatives
The past ten years have shown that guidance, good practice case studies and encouragement are not enough to overcome the inertia in the system.

The government has relied on Defra’s Public Sector Food Procurement Initiative (PSFPI) to deliver change. The PSFPI was launched in 2003 with the objectives of:
- promoting food safety, including high standards of hygiene;
- increasing the consumption of healthy and nutritious food;
- improving the sustainability and efficiency of production, processing and distribution;
- increasing tenders from small and local producers and their ability to do business;
- increasing co-operation among buyers, producers and along supply chains; and
- improving sustainability and efficiency of public food procurement and catering services.37

But an independent evaluation of the initiative in 2009 found “…little evidence of widespread uptake of the scheme”.38 It noted that “low awareness and usage of the PSFPI support and guidance also suggests that PSFPI is not embedded within the public sector, even amongst the organisations that are aware of it”.39 Deloitte, who conducted the evaluation, found that the adoption of PSFPI had been weak and that the poor uptake could be attributed to a number of factors. For example, they cited:
- the PSFPI not having become embedded across the public sector as it had been given a low priority at the local level;
- that the initiative had suffered from insufficient political weight;
- that food procurement tended to be regarded as less important and has a lower budget than other cost centres;
- a perception that implementing sustainability criteria would cost more;
- a lack of expertise and impetus from procurement staff;
- a piecemeal, inefficient, bureaucratic approach to food purchasing; and
- a lack of interest in and incentive to procure sustainably.40

Even in Whitehall performance is mixed. Data on the share of government departments’ food expenditure, which is spent on UK food, shows great variation - from 91% down to just 45% (see Table page 11). Two thirds of government departments spend less than 66% of their budgets on domestically produced indigenous food (i.e. food that can be produced in the UK).41

Given the Labour Party’s 2005 manifesto promise to ‘introduce an explicit policy for schools, hospitals and government offices to consider local sourcing of fresh produce’42 and the resources that have been poured into PSFPI, the fact that even central government departments are not meeting its sustainable procurement aims in

38 Ibid. p. 22
39 Ibid. p.24
40 Deloitte, 2009, op. cit.
a consistent manner is an indictment both of the PSFPI scheme and of the Labour Party.

**Central Government’s support for British food varies enormously from department to department**

<table>
<thead>
<tr>
<th>Expenditure on UK food</th>
<th>Department</th>
<th>%</th>
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<tbody>
<tr>
<td>45 – 55%</td>
<td>HMRC – STEPS</td>
<td>45</td>
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<td></td>
<td>MoJ – NOMS</td>
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<td>MoD CRL</td>
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<td>55 – 65%</td>
<td>DCSF</td>
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<td>Private Prisons</td>
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<td>HMT</td>
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<td>UKBA</td>
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<td>MoD Ops</td>
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<td></td>
<td>DWP</td>
<td>63.5</td>
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<td>NHS - SC</td>
<td>64.5</td>
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<tr>
<td>66 – 75%</td>
<td>HMRC – Non-steps</td>
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<td>DfID</td>
<td>67</td>
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<td></td>
<td>DfT</td>
<td>68</td>
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<td>76% - Plus</td>
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<td></td>
<td>DCMS</td>
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<td></td>
<td>Defra</td>
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<td>BIS</td>
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*Source: Defra. 2010 data.*

In 2005, the Department of Health’s Food and Health Action Plan (FHAP) declared that “The public sector, including the NHS, has a corporate social responsibility to offer healthy nutritious food in its institutions and to lead by example in improving the diets of its staff and patients”. But, again, little has changed.

Outstanding examples of best practice in public sector food procurement and provisions do exist. Where there is the drive and determination from someone within or outside, change can happen. Inspired individuals have transformed the quality of food in the places they work. And there are people who have battled for better food in their children’s schools and workplaces, refusing to take ‘no’ for an answer, and they have ultimately prevailed. However, these successes have rightly been described as islands of best practice in a sea of mediocrity. They have been driven by passionate and

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enthusiastic individuals who see themselves as swimming against the tide of systemic inertia in a 'lowest cost' culture.

The government itself has acknowledged that the voluntary model has failed. In 2008, a Cabinet Office report concluded that “…there is some way to go before the aspirations of FHAP and PSFPI are reflected in the reality of the food served across the public sector….Those working to improve the quality of food and efficiency in procurement often struggle in the face of systemic inertia and complexity”.

There are thousands of separate public bodies in Britain providing food. We do not yet have enough food heroes to transform public service catering one kitchen at a time. But there is another way.

**A Universal Approach**

We can build a system that delivers better food at better value. Its universal standards provide fairer access to good food and simplification in the supply chain, which will help to cut inefficiency and waste. Its flexibility allows progress at an achievable pace and affordable cost, and in the direction the service users want to go. It 'nudges' the millions of people who consume public food each day towards healthier, more sustainable choices.

The Code for Sustainable Food will empower consumers so that their individual choice can drive change towards healthier food made from ingredients produced to high standards of animal welfare and care for the environment. To work, this new approach needs to be adopted universally. This approach does not constrain choice – rather, it enables it and does so for everyone.

There are three reasons why a universal approach is needed.

1. **To ensure fairness**: Where significant improvements have been made, it is often in areas where there is already a high level of understanding of the issues. As seen, for example, in the well-publicised achievement of Jackie Schneider and the Merton Parents (who successfully lobbied their local council to improve food in Merton’s primary schools). We need a system that works for everyone, not just those endowed with the skills, energy and know-how to work the system. The new ‘trigger’ mechanism will enable all communities to raise standards, but there is some concern that it will be used primarily in those areas already engaged in the issue. Community engagement by NGOs will, therefore, be vital.

2. **To overcome the ‘demand side’ market failures**: Studies have shown that a large part of the problem with public food is caused by a lack of informed customers: a deficit of ‘intelligent’ and coherent demand. Workplace catering is often a peripheral concern, procured and run as an adjunct to estate management. For many institutions, it does not matter enough for it to attract serious attention or creativity. The inertial forces in the system, and the sheer difficulty of holding institutions

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44 The Strategy Unit, July 2008, op.cit. p. 96
accountable for the quality of food, defeat all but the most determined of consumers who are willing to fight for change.

3. **To realise the ‘supply side’ efficiencies on offer:** The UK has a sophisticated private catering sector capable of sourcing what its customers demand. But inefficient procurement processes and variations in specifications add to the cost of serving the market. Procurement officers confuse ‘best value’ with ‘least cost’. Suppliers carry larger inventories than is logical because specifications differ slightly from customer to customer. The market is inefficient and incoherent. In 2006, the National Audit Office (NAO) picked over these problems and concluded that public sector procurement could make £224 million in efficiency savings each year by 2011 “simply through raising the professionalism of public sector food procurement”, including £80 million of savings by tackling fragmented purchasing.\(^{46}\)

The harmonisation that comes with common, minimum standards and procurers working together to develop new procurement solutions offers the prospect of a more rational system. These system efficiencies will not come with a piecemeal approach.

Where a collective approach has been adopted, there have been improvements. There is clear evidence that the nutritional standards introduced for school food, on a tidal wave of public support, have increased the availability of healthy and nutritious food in schools. According to a 2007 Mori survey, 72% of schools and 67% of local authorities (LAs) had increased consumption of healthy and nutritious food.\(^{47}\) In addition, all of the 22 LAs who procured a school meal catering service, and almost 80% of the 39 LAs who provided an in-house catering service made reference to, or required suppliers to meet, government nutritional standards for school food in their catering service contracts or food contracts, when surveyed by The School Food Trust (SFT) and Local Authority Caterers Association (LACA) in 2008.

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\(^{47}\) Deloitte 2009 op.cit., citing Ipsos Mori, 2007, PSFPI Qualitative and Quantitative Analysis survey and SFT/LACA ‘Schools Food Procurement, Procurement Skills and Sustainability’ survey 2008.
**National Audit Office Potential Savings identified:**

- Reduced prices for same or better quality food products improved market knowledge and buying professionalism **£40m**
- Improved transparency of costs and rigorous oversight of contract caterers charges **£30m**
- Aggregating demand to reduce procurement costs and increasing purchasing power **£80m**
- Improving catering professionalism and better use of external expertise **£40m***
- Managing catering operations to reduce environmental impact and costs **£1m***
- Increased uptake of meals and income generated by them **£33m**

Savings anticipated by 2007-08 *

**£224m**

*Source: National Audit Office 2006 data.*

**Will better food procurement cost more?**

*The Code can be a driver of the systemic reforms needed to deliver efficiency savings*

As noted above, if done on a systemic basis, efficiency improvements can be made by tackling the market failures in the food procurement system. The 2006 National Audit Office report found that increasing efficiency would also “have a positive impact on sustainability and nutrition, by enabling organisations to use cost savings in some areas to help to finance improvements in others.”

These savings have yet to be realised. The Office of Government Commerce (OGC) was given significant new powers in 2007 “to enable it to transform central government’s procurement capacity so as to secure more value for money.” Its work is ongoing but the indications are that progress has not been as hoped. The dramatic savings identified by the NAO have not been made and there has been no marked improvement in the general quality and sustainability of the food procured by the public sector. The OGC has produced plenty of guidance on how to improve procurement practices, but without either community control or mandatory standards, procurement officers have lacked a reason or incentive to reform.

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48 National Audit Office, March 2006, op.cit. p.8
By requiring procurement officers to take health and sustainability criteria into account in all their procurement decisions, without accepting that there needs to be a "green premium", these policy proposals will create the necessary conditions to encourage the public sector food procurement system to reform from the inside and drive innovation throughout the procurement system.

By making sustainable sourcing a routine part of contract drafting and not an exceptional best practice example, basic common standards will bring price down through economies of scale and deliver a sizeable lead market. They will provide a powerful demand side lever for good quality, sustainable food. Action across the whole of the public sector, rather than in a piecemeal way will have the effect of catalysing the implementation of innovative catering (e.g. central kitchens) and purchasing solutions (such as food procurement hubs and collaborative purchasing), which will ensure that this price advantage is exploited.

Reams of government guidance and numerous voluntary initiatives, introduced over the past decade, have left the procurement industry unsure of priorities for investment and understandably resistant to change. By clearly defining what constitutes sustainable food (in procurement terms) and providing a common set of standards that are simple, straightforward and workable, we will give the industry the confidence to innovate and invest.

By making healthy, sustainable ingredients an essential prerequisite of public sector catering, we will make good quality sustainable food available to everybody regardless of economic status. The greatest impact of our food policy will be in the poorest/most economically disadvantaged areas of our society — if communities take advantage of their new powers. This will be where it has the capacity to deliver multiple benefits, address health inequalities, stimulate local economic development, encourage rural regeneration and build community cohesion.

Evidence from local projects shows that delivering better food need not cost more

At a local level, there are numerous examples of where better quality food has been provided without a cost penalty. For example, evidence from the implementation of the Food for Life Catering Mark shows that the introduction of sustainability criteria need not add to costs. A voluntary sector initiative, the Food for Life Catering Mark is generally regarded as the gold standard in sustainability criteria for food in the UK. Its findings, together with other examples of best practice, demonstrate that where an organisation has committed to introducing sustainability criteria, substantial improvements can be made rapidly, without increasing the overall spend.

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50 The Soil Association’s Food for Life Catering Mark is a scheme for school caterers across the public and private sectors that are committed to serving freshly prepared sustainable food. The three tiers of award (Bronze, Silver and Gold) allow caterers to progress towards greater use of fresh, seasonal, local, organic ingredients, high welfare meat and sustainable fish. The Food for Life Bronze standards have been widely trialled and tested in public sector catering for over two years with over 150,000 meals served per day, especially by contract caterers and local authority caterers in the school meals sector.
Soil Association research found that the introduction of sustainability objectives did not result in an increase in the overall expenditure for the following reasons.\footnote{Soil Association, 2009, Submission to Sustainable Food Procurement in the Public Sector Taskforce.}

1. Overheads were reduced due to the increased uptake as a result of offering better quality food. All Food for Life Catering Mark caterers surveyed stated that they had experienced an increase in the uptake of meals following the introduction of the Food for Life criteria.

2. Customers were willing to pay more for better quality food, therefore, absorbing any increased ingredient costs.

3. Financial savings were made through better procurement practices, including collaborative purchasing techniques, the introduction of seasonal and simpler menus, purchasing from local sources and obtaining better product yields with improved specifications. This money was then available to be used to increase ingredient spend.

4. There was a decrease (or no increase) in ingredient cost spend across most categories of ingredients. 57% of Food for Life caterers surveyed reported a negative effect on ingredient spends. The 43% with increased ingredient spend reported that this was due to inflation and increased nutrient standards in schools. Over 60% reported no increase in food spend, having adjusted for inflation.

These results are consistent with the findings of a Deloitte survey into the cost implications of implementing (PSFPI) sustainability objectives.\footnote{Deloitte, March 2009, Public Sector Food Procurement Initiative: An Evaluation, p.29 <http://www.defra.gov.uk/foodfarm/policy/publicsectorfood/documents/090311-PSFPI-%20evaluation.pdf>}

As part of its evaluation of the PSFPI, Deloitte conducted a survey to see whether implementing sustainability objectives increased costs. It found:

- no reports of cost increases from those practitioners who increased their procurement of UK and regional produce; and

- examples of cost decreases when there was an increase in the procurement of UK, regional, seasonal, farm-assured and small/local supplier produce (60% of those surveyed reported cost decreases or no impact on food costs).\footnote{Only in the case of increasing procurement of organic and fair trade produce did Deloitte respondents report more cost increases than cost decreases or no impact; 23% reported no impact on cost; 63% experienced cost increases. These findings were taken into account by the Taskforce in formatting the ‘Our Proposals’ section of this report, please see Chapter 3. Organic and fair trade produce do not form part of the five baseline standards proposed by this Taskforce but rather are options for which points may be awarded in the code. Caterers can, therefore, choose whether to procure organic and fair trade produce and balance the increase in ingredient spend through other economies or win points from other categories in the code.}
Caterer feedback on the cost implications of implementing Food for Life criteria:54

A survey of Food for Life caterers shows no increase in the overall costs, even when there is an increase in the expenditure on raw ingredients, demonstrating that rigorous health and sustainability criteria can be met without increasing the overall costs.

The table below shows that all of the Food for Life caterers experienced negative or neutral impacts on food costs (the overall cost neutrality or cost savings). This breaks down as:

71% reported that the implementation of Food for Life sustainability criteria was cost neutral.

29% reported overall cost savings.

<table>
<thead>
<tr>
<th>Caterer and Food for Life Standard</th>
<th>Cost – Positive, Negative or Neutral</th>
<th>Ingredient Spend Increase</th>
<th>Uptake Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bath &amp; NE Somerset Council - Bronze</td>
<td>Neutral</td>
<td>Yes (though some increases due to food cost inflation)</td>
<td>Yes</td>
</tr>
<tr>
<td>Caterlink Ltd - Bronze</td>
<td>Negative</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Havering Borough Council Bronze</td>
<td>Neutral</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>ISS Caterhouse Bronze</td>
<td>Neutral</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Local Food Links - Gold</td>
<td>Negative</td>
<td>Yes (high spend on organic ingredients)</td>
<td>Yes</td>
</tr>
<tr>
<td>Nottinghamshire County Council - Silver</td>
<td>Neutral</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Shropshire County Council - Silver</td>
<td>Neutral</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Soil Association 2009 data.

54 Soil Association, 2009, op.cit.
Findings of a Deloitte survey into the cost impact of implementing (PSFPI) sustainability objectives:

<table>
<thead>
<tr>
<th>PSFPI Sources</th>
<th>Cost Impact Decrease %</th>
<th>No Impact %</th>
<th>Cost Impact Increase %</th>
<th>Don’t Know %</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>9</td>
<td>53</td>
<td>0</td>
<td>38</td>
</tr>
<tr>
<td>Regional</td>
<td>20</td>
<td>55</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Seasonal</td>
<td>23</td>
<td>31</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Farm Assured</td>
<td>10</td>
<td>36</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Small / Local</td>
<td>18</td>
<td>46</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>221</strong></td>
<td><strong>68</strong></td>
<td><strong>131</strong></td>
</tr>
<tr>
<td><strong>%</strong></td>
<td><strong>16%</strong></td>
<td><strong>44%</strong></td>
<td><strong>14%</strong></td>
<td><strong>26%</strong></td>
</tr>
</tbody>
</table>

*Source: Deloitte 2008 data.*
Illustrations of financial savings that can be made through adopting improved procurement practices in conjunction with sustainability criteria.55

- Nottingham University Hospitals NHS Trust now sources 30% of all food from local producers. £20 thousand per annum has been saved by buying locally procured fruit and vegetables. The cost per portion of meat was also reduced by purchasing better quality meat, which gave a higher yield and has a lower wastage factor than cheaper meat. The Trust plans to install a centralised, carbon neutral kitchen covering both sites, which is expected to pump £2 million a year into the local economy and cut food miles by 30,000 a year.

- A regional collaborative food procurement project involving four LAs, “The North East Improvement and Efficiency Partnership”, achieved annual savings of £165,915 together with non-cashable savings by eliminating multiple tender processes.

- Shropshire County Council is the first local authority to be awarded the ‘Food for Life’ Silver Catering Mark. And has made an overall saving of 11% in the first year on fruit and vegetables. Quality has also improved.

- Bradford Education Services procure most of their supplies from local sources and together with the simplification of menus improved product specifications, adapting to seasonal availability has produced better quality meals at no extra cost.

Please note, in considering the question “will better food procurement cost more?” It has been necessary for the Taskforce to rely on the reports which have been produced in this area. However, we recognise that there are limitations to the available data and that further detailed research is required.

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55 Deloitte, March 2009, Public Sector Food Procurement Initiative: An Evaluation, p. 20 and p. 29
There is a growing acceptance that the voluntary approach has failed and that we need mandatory standards. Our view is that local communities, patient and parent groups must be in the driving seat. But if local democracy fails to deliver the necessary changes at the pace required, then we must be willing to introduce clear mandatory standards across the board.

Support for Mandatory Standards

The Council of Food Policy Advisors:
"The Government could make much more effective use of that part of the food system where it can directly influence the choices on offer - public sector catering and the hundreds of millions of meals it provides each year in England. Voluntary approaches to raising public sector catering standards have failed to deliver systemic change. It is time for the Government to make good on the goal set out in the Cabinet Office’s Food Matters report by introducing mandatory standards covering health, environmental impact and animal welfare for the procurement and provision of public sector catering in England."

Compass Group:
"To see change, procurers need to be mandated to adhere to national standards. Change will require clear mandatory standards, and this will ultimately bring price down through economies of scale. Food procurement hubs and combined buying will ensure that this price advantage is exploited.

While the approach to procurement remains voluntary change will not be made as buyers will focus on the impact on the bottom line. There needs to be a common set of standards, which include nutrition, local and sustainability."56

The Cabinet Office Strategy Unit:
"Were all public sector food provision to reflect health policy aims, a sizeable ‘lead market’ could be created, similar to the Government’s plans for lead markets in low-carbon goods and services. This could catalyse the implementation of innovative catering and vending solutions, which could then be available to the whole market. Action across the whole of the public sector, rather than in a piecemeal way, could create a powerful demand-side lever in relation to the large contractors that dominate the market."57

Deloitte:
“When governed by cost, procurement officers will not seek to undertake such voluntary measures without a ‘push’ from ministers or a binding regulatory framework.”58

Sustain: The Alliance for Better Food and Farming
"Over the past decade, government has wasted over £50m on at least 17 different voluntary initiatives to improve the healthiness, ethics and sustainability of food in the public sector. All

56 Compass Group, evidence to The Council of Food Policy Advisors, 11 May 2009.
of these initiatives have failed. The only way to achieve lasting and cost-efficient improvements to public sector food is through introduction of mandatory standards. This will be good for farmers, good for caterers, and good for the schoolchildren, hospital patients and care home residents that rely on decent food in the public sector. Through such standards, Government can set clear priorities for food buyers, and give the catering industry the confidence to invest in change.”

The Soil Association:

“Mandatory entry level standards for public procurement offer hugely important support for British food producers. A Code for Sustainable Food will ensure systematic improvements to ethical, environmental and animal welfare standards, flexible enough to encourage innovation and competition in the catering sector and to offer the public advice on a more sustainable diet. The Soil Association’s Food for Life Catering Mark already proves that such an approach is both achievable and affordable for caterers.”
TASKFORCE PROPOSALS: A CODE FOR SUSTAINABLE FOOD

The proposed Code for Sustainable Food would consist of minimum ‘entry-level’ standards, together with a subsequent points-based system, that would allow aspirational schools, hospitals, local authorities, etc, to pursue higher standards. By collecting a sufficient number of signatures, local groups of parents, patients etc will be able to force their local service providers/LAs to adopt the entry-level standards contained in the code as a minimum in all their food procurement contracts. If over time the uptake is insufficient, these entry-level standards can and should be mandated.

Using the same trigger mechanism, local people will be able to force their service providers to progress further up the Code for Sustainable Food. Key to the success of this scheme is full transparency at every level.

This tiered approach has a good precedent. The proposed entry-level standards have already been effectively piloted, for the past two years, in well-documented voluntary initiatives by pioneering public sector caterers. However, we also recognise that individual, voluntary initiatives will not achieve systematic changes. Over the past decade, repeated government attempts to improve public sector food have failed to deliver any significant shift in either healthiness or sustainability.

As the entry-level standards have already effectively been piloted, they are known to be achievable and affordable, with caterers reporting that the improvements can be easily met on a cost neutral basis. The subsequent points-based system for achieving higher standards is modelled on the Code for Sustainable Homes, which has considerably improved carbon efficiency in the building sector through an industry-supported mechanism that gives housing developers the confidence to invest in change. We believe a similar approach could considerably improve the healthiness and sustainability of food in the public sector.

Unlike previous government initiatives, the Code for Sustainable Food will provide a straightforward, authoritative and workable set of standards for public sector food procurement, with clear and achievable goals for public sector caterers to work towards.

By building on existing voluntary standards the Code for Sustainable Food will ensure that the industry’s early movers, who are already starting to adopt voluntary initiatives such as the Food for Life Catering Mark, Red Tractor accreditation scheme, free-range eggs, and excluding endangered fish, are rewarded. Equally, clearly linking the standards to existing sustainable food accreditation schemes will remove the need for costly new verification structures.

The Code for Sustainable Food will allow public sector clients to specify higher standards and serve as the basis for future improvements in standards. This will make it possible for caterers in the public sector, who are taking a lead in adopting and promoting more challenging sustainability criteria, to gain a market advantage and will inspire innovation and competition in the catering sector.
The Basic Entry Level Standards Proposed

Under the Code for Sustainable Food, all public sector institutions providing food should meet the following minimum standards.

1. All meat and dairy products to meet, at least, Red Tractor Farm Assurance Standards or equivalent European accreditation and all eggs to be from cage-free hens.

2. Menus to be seasonal and to include in-season produce which meets Red Tractor Farm Assurance Standards or equivalent European accreditation. This produce to be highlighted.

3. No fish to be served from the Marine Conservation Society (MCS) 'fish to avoid' list or the International Union for Conservation of Nature (IUCN) red list.

4. All main meals to contain fruit and/or vegetables and steps must be taken to improve nutrient intake by purchasing food that is lower in salt, fat and sugars.

5. Procurement to be undertaken in line with the ‘Prompt Payment Code’ or equivalent European accreditation and fair terms of trade. For imported products, manufacturers and suppliers to meet the provisions of the Ethical Trading Initiative (ETI) Base Code.

The Rationale for these Criteria:

1. All meat and dairy products to meet, at least, Red Tractor Farm Assurance Standards or equivalent European accreditation and all eggs to be from cage-free hens.

By failing to insist that food procured by the public sector meets UK animal welfare standards, the UK government is encouraging the import of animals reared in conditions that would not be permitted under UK animal welfare law. By doing so, the government is actively disadvantaging UK farmers, who are required by domestic law to meet higher animal welfare standards. By requiring all public sector institutions to purchase meat that has been reared in accordance with British welfare standards, we will stop this perverse practice, whereby cruelty is ‘exported’, and at the same time we will be supporting our farmers.

The majority of Europe’s pigs, for example, live their entire lives on slatted concrete floors with no straw and no daylight; piglets are castrated without pain relief and pregnant sows are kept in a narrow metal cage in which they can only move a few inches backwards and forwards. Sow stalls have been banned in the UK for a decade and Compassion in World Farming recently concluded that UK pigs were better off than their European counterparts. Yet despite this, none of the bacon served to the British armed forces on operations, for example, is British (and only 1% of the bacon served in non-operational bases is British). This has contributed to a 40% contraction

59 Honest Food Campaign, Food Labelled ‘British’ should be born and bred in Britain
<http://www.conservatives.com/Campaigns/Honest_Food/~/media/Files/Downloadable%20Files/Honest%20Food/brief.ashx>
60 Compassion in World Farming, 2008, News Release, Undercover investigation reveals state of our pigs.
<http://www.ciwf.org.uk/includes/documents/cm_docs/2009/n/hr3608.pdf>
61 Defra, February 2010, Public Sector Food Procurement Initiative: Proportion of domestically produced food used by government departments and also supplied to hospitals and prisons under contracts negotiated by
in the breeding herd in the past 10 years, during which time the UK has become heavily reliant on imports for pork, bacon and ham, 70% of which would today fall below the legal standards set for home production.\(^6\)

Around 80% of UK livestock farms are already farm assured. Farm assured meat and dairy products are produced on farms that are inspected annually by accredited inspectors. This means that caterers can claim, with confidence, that animal welfare standards in excess of the UK minimum are being met. Farm assurance scheme standards also cover issues such as food safety, traceability, production methods and basic environmental protection.

As a result of ethical consumerism, free range eggs have captured over 50% of the retail market. However, market share is significantly lower in catering due to the lower visibility of animal welfare standards. This is an area in which the public sector should be leading by example.

2. Menus to be seasonal and to include in-season produce which meets Red Tractor Farm Assurance Standards or equivalent European accreditation. This produce to be highlighted.

Menus need to make use of fresh, in season, locally available produce of high nutritional value and ‘in season’ produce needs to be highlighted.

Growing fruit and vegetables in season requires lower levels of energy-intensive inputs like heating, lighting, pesticides and fertilisers than at other times of the year. Therefore, seasonal produce has a lower climate, and wider environmental, impact. Locally available seasonal produce is also transported over a shorter distance, which means that it will be fresher, more nutritious and have a smaller carbon footprint.

The effective use of seasonal menus is also financially beneficial and will allow public sector caterers to save money because the majority of produce is cheaper in season. It also allows them to make use of gluts of seasonal produce. A move from grade 1 to grade 2 fruit and vegetables (which have been rejected by supermarkets as a result of cosmetic blemishes) can deliver further savings.

By using its buying power to create a market for seasonal locally available produce, the government will be actively boosting British food security. The decline in horticultural production has been well documented, most recently by the Council of Food Policy Advisors, a trend that urgently needs to be reversed by stimulating markets for this produce.

3. No fish to be served from the MCS 'fish to avoid' list or the IUCN red list of endangered fish.

Intensive fishing has resulted in the chronic depletion of many fish stocks. 70-80% of the world’s marine fish stocks are fully exploited, overexploited, depleted or recovering from depletion.63 15 out of 17 of the world’s largest fisheries are so heavily exploited that their reproductive cycles cannot guarantee continued catches.64 Recent research has predicted that if current trends are allowed to continue the world will run out of seafood species to fish by 2048, and the associated loss of marine biodiversity will destroy the oceans’ natural ability to adapt and self-repair.65 This global crisis is mirrored in UK waters. According to World Wildlife Fund’s most recent ‘Marine Health Check’, of 16 key marine species and habitats, all but two are in decline in our waters.66 We are taking fish out of the sea faster than they can be replenished and it is not just how many fish we are catching, but how we catch them. Some fishing methods take far more fish than we use – discarding alarming quantities of unwanted, young, dead fish back into the sea. Some fishing activities can seriously damage our fragile seabed habitats, killing other sea life such as dolphins, seals and birds in the process.67

The MCS publishes a list of fish that experts identify as most vulnerable to over-fishing and/or are caught using methods that cause damage to the environment or non-target species. The IUCN also publishes a ‘red list’ of endangered fish. When required to do so, public sector caterers can easily avoid buying endangered fish, at no extra cost.68

- The MCS ‘fish to avoid’ list is already used by progressive caterers, in both the public and private sectors, to exclude endangered fish. This includes caterers that have achieved the Food for Life Silver Mark and Compass who are the biggest caterer in the world.69
- The IUCN red list is officially recognised by the Office of Government Commerce.70

By agreeing not to serve endangered fish, such as Atlantic cod71 and bluefin tuna, in public sector institutions, the UK government can use its political weight and significant buying power to influence fishing industry practices and fisheries management policy. By promoting a better understanding of the issues, this policy can also support increased demand for fish from the Marine Stewardship Council certified sustainable fisheries.

64 ibid.
66 Quality of Life Policy Group, September 2007, op. cit.
67 Marine Conservation Society, Fisheries Policy.
68 This is an attainable first step. It also promotes a better understanding of the issues, which can in turn support increased demand for fish from Marine Stewardship Council certified sustainable fisheries. Buying sustainable fish is not mandated at ‘entry level’, but is rewarded in the subsequent points-based system. 69 see: <http://www.compass-group.co.uk/compass-sustainable-news.htm>
70 in its voluntary food standards, see section 5.2: <http://www.ogc.gov.uk/documents/fishery.pdf> In full, the text says: “Endangered species: the Authority considers the FAO sponsored site operated by IUCN to be definitive on endangered species, http://www.iucnredlist.org/.”
71 Wild Atlantic Cod (caught from all areas except Northeast Arctic, Iceland and Western Channel, Bristol Channel, Southeast Ireland and Sole) should be avoided. Organically farmed Atlantic or MSC certified Pacific cod is fine to eat.
4. All main meals to contain fruit and/or vegetables and steps must be taken to improve the nutrient intake by purchasing food that is lower in salt, fat and sugars.

The key food ingredients covered by this criterion (fruit, vegetables, salt, saturated fat and hydrogenated fat) are those for which there is established scientific evidence for the benefits of changing consumption patterns to improve health and well being. It was estimated by the Cabinet Office Strategy Unit that 70,000 premature deaths each year, from serious diet-related conditions such as heart disease and cancer, could be saved by the nation following basic healthy eating guidance.72

There are well-accepted standards for controlling salt and saturated fat in catering, already championed by progressive industry members and the Food Standards Agency.73

The Public Health Commission set up by Shadow Health Secretary, Andrew Lansley, has called for “a particular focus on the elimination of industrial trans-fats in all foods” in the catering and food service sectors.74 Industrial trans-fats are present in food due to the use of hydrogenated fat in highly processed foods, hence, the need to exclude this ingredient.

By introducing basic ‘food based standards’ rather than more complex ‘nutrient based standards’ this criterion has been designed to be easily understood and applied by caterers and procurement officers.

While not included in the ‘entry level’ criteria, the removal of other questionable additives can be encouraged through the points-based system. Some existing voluntary initiatives in public sector catering have already taken action to exclude such potentially harmful ingredients as E110 (the coloring sunset yellow) and E621 (the flavouring enhancer monosodium glutamate) and they have also facilitated a shift away from nutritionally poor food.75 These include the additives shown by Southampton University to cause behavioural problems in children. This research prompted the Food Standards Agency to advise that these additives should be avoided by hyperactive children.

5. Procurement needs to be undertaken in line with the ‘Prompt Payment Code’ or equivalent European Accreditation and fair terms of trade. For imported products, manufacturers and suppliers need to meet the provisions of the Ethical Trading Initiative (ETI) Base Code.

In line with Nick Herbert MP’s proposals for a supermarket ombudsman,76 this criterion would require public sector contractors to pay suppliers on time, within the terms agreed at the outset of the contract, without attempting to change payment terms

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73 For case studies of caterers taking action to control salt and saturated fat, and to see the Food Standards Agency’s guidance for caterers, see: <http://www.food.gov.uk/healthiereating/healthycatering/>
74 Public Health Commission, July 2009, We’re all in this together, Recommendation 2.5, p11.
75 Food for Life accredited caterers have demonstrated that it is possible for caterers to work with wholesome ingredients and for their suppliers to de-list trans-fats and undesirable additives.
retrospectively, and without changing practice on the length of payment for smaller companies on unreasonable grounds. It also requires contractors to give clear guidance to suppliers on procedures for payment, dealing with complaints and disputes, and prompt communication of any delays in payment.

The Prompt Payment Code is supported by the NFU, and is vital support for farming businesses and smaller suppliers wishing to bid for public sector contracts. In theory, all public sector bodies should already be implementing the Prompt Payment Code, following a declaration by the Department for Business, Enterprise and Regulatory Reform (BERR).

The implementation of the Ethical Trade Initiative ensures that public sector caterers apply fair terms of trade to both domestic and imported products, in line with government development policy. This would support the government’s poverty reduction and international development objectives through fair terms of trade. The Ethical Trade Initiative is already supported by the NHS Supply Chain and the Purchasing and Supply Agency (PASA). These are important public sector procurement bodies for the NHS and others such as central purchasing for the School Fruit Scheme.

Official ethical procurement guidance already exists, such as PASA’s ‘Ethical Procurement and Health Guidance’ and ‘Toolkit for the Procurement Process’.

While not mandated at ‘entry level’, support for farmers from poor countries can also be improved over time through the procurement of certified Fairtrade produce, or the equivalent. Progress on fair trade is, therefore, rewarded in the Code for Sustainable Food through the points-based system, with a focus on popular foods such as Fairtrade certified bananas, tea and coffee. These are key commodity groups for which there is already an established supply, consumer demand and high levels of public recognition and acceptability. To date, 435 towns in the UK have become Fairtrade Towns, with a commitment to buying ethically produced products. For many, this includes a commitment to Fairtrade products in public sector procurement.

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77 For further details, see: <http://www.promptpaymentcode.org.uk/>
79 The Fairtrade criteria would have to be ‘relevant to the subject matter of the purchase’ and must ‘allow bidders to prove compliance with these standards by using Fairtrade labels or by other means of proof’, for this purpose private trade-related sustainability assurance schemes would also be acceptable. (Communication from the European Commission to the Council - Contributing to Sustainable Development. The role of Fair Trade and non-governmental trade related sustainability assurance schemes - Brussels, 05/05/2009).
80 See the full list of Fairtrade Towns at: <http://www.fairtrade.org.uk/get_involved/campaigns/fairtrade_towns/default.aspx>
Encouraging continuous improvement so the public sector leads by example

It is important that market advantage is possible for caterers in the public sector who are taking a lead in adopting and promoting more challenging sustainability criteria. Public sector caterers must be given an incentive to plan for continuous improvement with a flexible mechanism that encourages innovation and competition. It is also the role of central government to ensure that support, advice and useful practical guidance is readily available to help with the implementation of the sustainability criteria. We propose a mechanism with four distinct aspects to achieve this.

1. **A flexible points-based framework**: to allow public sector clients to specify higher standards and to serve as the basis for future improvements in standards. This would be based on the precedent set by the Code for Sustainable Homes in the housing sector.\(^{81}\)

2. **Transparency**: for any local democratic trigger mechanism to work, LAs, Local Education Authorities and Primary Care Trusts, for example, would have to be under a duty to declare their food sourcing, and to provide easily accessible information to the public on whether they are meeting the minimum standards laid down in the Code for Sustainable Food online, through their annual reports and websites. Local residents would have to be given real opportunities to force a change. Transparency would also help promote a ‘race-to-the-top’ in public sector food procurement.

3. **The local pressure mechanism**: in the case of local schools and hospitals, for instance, it is local people who are not only best placed to assess the quality of the service being provided but who also have the greatest interest in seeing that service improved. Under our proposals, local people will be given the power to force their LA to reform by obtaining a sufficient number of signatures (threshold to be agreed). The relevant public body would then be required to take the steps demanded. Parents in Merton have already shown how effective local pressure can be in achieving change (see box over page).

4. **A dedicated internet hub**: an internet hub should provide access to useful practical guidance on implementing sustainability objectives, including model seasonal menus, model contract specifications, and advice on how to encourage Small and Medium Enterprises (SMEs) and organic suppliers to tender for contracts, by, for example, breaking large contracts into smaller lots (by produce type),\(^{82}\) relaxing strict rules on the standardisation of products,\(^{83}\) and encouraging and facilitating the formation of local food supply and purchasing hubs.\(^{84}\)

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\(^{81}\) The Code for Sustainable Homes is used in the public sector as a method for stipulating mandatory energy efficiency requirements for public housing projects. See details of the Code for Sustainable Homes at the website of the Department for Communities and Local Government. <http://www.communities.gov.uk/planningandbuilding/buildingregulations/legislation/codesustainable/>

\(^{82}\) In East Ayrshire (see case study p. 40), for example, the tendering contract is divided into nine lots to enable small local suppliers to compete with larger companies. The lots are: red meat; dry, bottled and canned foodstuffs; fruit; vegetables; milk; cheese; eggs; fish; and poultry.

\(^{83}\) Strict rules on straightness, appearance and portion size can act as barriers to organic produce and higher welfare meat that tends not to conform to standardised portion sizes.

\(^{84}\) See “Examples of Best Practice” p37 for practical examples of this approach in operation.
In 2005, a group of parents in Merton came together to improve the quality of school food. They called themselves Merton Parents for Better Food in School.

They set themselves a few key goals: to win funding for a working kitchen in every school; to improve the quality of ingredients and cooking standards; to encourage schools to improve lunchtime arrangements and to persuade the local authority to sign up to a good quality school meal service. It was an ambitious list and no one knew if it would work. But it did. Merton’s parents pestered the council to put aside £450 thousand to refurbish primary school kitchens and allow them to produce fresh food on site. They also set up a farm-twinning scheme with a nearby farm. The council has agreed to manage the scheme, which will eventually involve every school in the borough.

Jackie Schneider, Chair of Merton Parents, said: ‘It is amazing what can be achieved when the whole community pulls together. It was the combination of parents, governors, catering staff, schools and local government working together that finally got 39 kitchens built in Merton Primary schools and a new improved menu.’
Raising standards: How a Code for Sustainable Food would work

The Code for Sustainable Food is modelled on the Code for Sustainable Homes, which is an environmental impact rating system for housing in England, setting standards for energy efficiency and other sustainability criteria. (See the box below).\textsuperscript{66}

\begin{quote}
The Code for Sustainable Homes:
\begin{itemize}
\item Was largely based on the well-piloted voluntary BREEAM standards developed by the Building Research Establishment (BRE), with a signal from government that it would become mandatory just over a year from introduction. In the same way, the proposed Code for Sustainable Food builds on the well-piloted voluntary Food for Life Catering Mark.
\item Is required as compliance for publicly funded house-building programmes and is being increasingly specified and adopted by the commercial sector.
\item Is governed by a specified process so that standards can be ratcheted up over time, as materials and techniques and the understanding of environmental impacts improve.
\item Refers to authoritative independent standards (e.g. BRE, British Standards) and specific methods of calculation, to ensure a consistency of approach.
\item Requires involvement of suitably qualified professionals in making judgements about technical matters (e.g. assessment of biodiversity of a production method by a trained ecologist).
\item Balances a range of options, with points awarded for specific commitments - and allows contractors to do better in some areas than others - depending on the circumstances.
\end{itemize}
\end{quote}

\textsuperscript{66} Published in 2006 by the Department for Communities and Local Government. 
How this model could be applied to public sector food procurement:
The new Code for Sustainable Food (see page 33) would consist of:

a) A system of points allocated across key sustainability categories, which all procurers and tendering caterers can refer to and use. This should be kept under review by a steering group as new evidence emerges.

b) Entry-level standards, given a points allocation of 10, which can be considered as Level 1 in the points-based framework.

c) A system with points allocated in such a way that there is a clear alignment with successful voluntary schemes so that:
   (i) early movers are rewarded;
   (ii) there is a verification option through an existing accreditation scheme; and
   (iii) a clear incentive remains for continuing progress up this ladder of standards.

d) Points to be allocated in such a way as to reflect:
   (i) the priorities set out by government advisory bodies such as the Sustainable Development Commission, the Public Health Commission and the Committee on Climate Change;
   (ii) standards that have been well piloted by voluntary schemes;
   (iii) statutory food-based standards; and
   (iv) standards that can be easily verified in simple and cost-effective ways such as menu scrutiny or documentary evidence from existing product assurance schemes.
Making It Work

Steering Group:
As with the Code for Sustainable Homes, the development of standards for the Code for Sustainable Food would need to be overseen by a steering group consisting of representatives from the catering and supply industries, government, non-governmental organisations and experts on food and farming issues, such as biodiversity; climate change; water; waste and energy management; animal welfare and ethical trade. The steering group would be required to develop the Code for Sustainable Food in response to emerging understanding and advice on key ways in which to improve the health and sustainability of the food system. The steering group would be required to consult widely and be open and accountable for their processes and decisions. Importantly, they would also have a development timetable for the introduction of phased improvements in the standards to give the catering and supply industries the time and confidence to respond, prepare and invest for change.

Compliance mechanisms; inspection and verification:
For different sectors, different compliance mechanisms will be appropriate, based on the following principles.

1. Easily verifiable compliance: all standards should be verifiable by simple and cost-effective means, principally through good record keeping.

2. Transparency and accountability: all institutions spending public money on food should publish basic information about the provenance and sustainability accreditation of the food purchased in a given period (say, yearly).

Two examples of simple and cost-effective compliance mechanisms that could be used are:

- For schools, Ofsted already inspects schools for compliance with mandatory nutrition standards for school meals, often with the support of local environmental health and trading standards officers. Checks for compliance with the Code for Sustainable Food would be included in their routine inspection activities.
- For hospitals and care homes, the Care Quality Commission already expects institutions with a care role to meet food hygiene and basic nutrition requirements. Reference to the Code for Sustainable Food would be included in their care quality standards and routine verification activities.
The Code: Categories and suggested points allocation

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Status (entry level or within)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promotion of low-carbon, balanced diet</strong></td>
<td></td>
</tr>
<tr>
<td>Seasonal menu planning</td>
<td><strong>Entry level</strong></td>
</tr>
<tr>
<td>Steps are taken to reduce the portion sizes of meat to encourage responsible eating habits (with a positive emphasis on grass-fed and farm-assured meat)</td>
<td>Up to 5 points</td>
</tr>
<tr>
<td><strong>Sustainable agriculture (biodiversity, landscape, climate)</strong></td>
<td><strong>Entry level</strong></td>
</tr>
<tr>
<td>N.B. Grass-fed meat and dairy to be included once verification options become available.</td>
<td></td>
</tr>
<tr>
<td>Red Tractor assurance (see also animal welfare, below)</td>
<td><strong>Entry level</strong></td>
</tr>
<tr>
<td>A proportion of Integrated Pest Management (IPM) / LEAF-Marque certified</td>
<td>Up to 2 points Points awarded in Code for Sustainable Food</td>
</tr>
<tr>
<td>Organic certified</td>
<td>Up to 5 points Points awarded in Code for Sustainable Food</td>
</tr>
<tr>
<td><strong>Sustainable fish</strong></td>
<td></td>
</tr>
<tr>
<td>Exclusion of MCS ‘fish to avoid’ or IUCN red list</td>
<td><strong>Entry level</strong></td>
</tr>
<tr>
<td>MSC-certification or equivalent</td>
<td>Up to 5 points Points awarded in Code for Sustainable Food</td>
</tr>
<tr>
<td><strong>Animal welfare</strong></td>
<td></td>
</tr>
<tr>
<td>Farm assured/Red Tractor meat and dairy and cage-free eggs</td>
<td><strong>Entry level</strong></td>
</tr>
<tr>
<td>A proportion of Freedom Food</td>
<td>Up to 3 points Points awarded in Code for Sustainable Food</td>
</tr>
<tr>
<td>A proportion of free range</td>
<td>Up to 4 points Points awarded in Code for Sustainable Food</td>
</tr>
<tr>
<td><strong>Food quality, health and well being</strong></td>
<td></td>
</tr>
<tr>
<td>All main meals to contain fruit and/or vegetables</td>
<td><strong>Entry level</strong></td>
</tr>
<tr>
<td>Steps must be taken to improve nutrient intake by purchasing food that is lower in salt, fat and sugars</td>
<td><strong>Entry level</strong></td>
</tr>
<tr>
<td>Fresh food preparation from unprocessed ingredients</td>
<td>Up to 5 points Points awarded in Code for Sustainable Food</td>
</tr>
<tr>
<td>Monitoring against Caroline Walker Trust nutrition standards suited to the client group being served</td>
<td>Up to 5 points Points awarded in Code for Sustainable Food</td>
</tr>
<tr>
<td><strong>Local procurement</strong></td>
<td></td>
</tr>
<tr>
<td>Engaging SMEs in public sector contracts, with associated benefits to local and rural economies</td>
<td>Up to 4 points Points awarded in Code for Sustainable Food</td>
</tr>
<tr>
<td>Use of locally available produce – to cut food miles</td>
<td>Up to 4 points Points awarded in Code for Sustainable Food</td>
</tr>
<tr>
<td><strong>Fair trade</strong></td>
<td></td>
</tr>
<tr>
<td>Prompt Payment Code adopted for dealings with all suppliers, adoption</td>
<td><strong>Entry level</strong></td>
</tr>
</tbody>
</table>
This table is an illustration of how the Taskforce anticipates the point system would work in practice.

All public sector institutions providing food would be obliged to implement the basic mandatory criteria, which collectively count for 10 points. After that implementation would be on a tiered points recognition basis as follows:

- **Tier 2:** 20 points
- **Tier 3:** 30 points
- **Tier 4:** 40 points

and so on.

Please note, the categories and points contained in the table are preliminary suggestions only at this stage and are open for consultation and further discussion. They do not represent a definitive list. Serious consideration would need to be given to how each of the categories suggested fit with EU law.

**Supplementary information on the code for Sustainable Food:**

**Promotion of a low-carbon, balanced diet:** steps are taken to reduce portion sizes of meat to encourage responsible eating habits (with a positive emphasis on grass-fed and Farm-assured meat).

**Rationale for this criterion:**

The strong body of scientific evidence linking methane emissions from livestock to climate change means that addressing the environmental impact of livestock production is essential to any policy purporting to address sustainability. The United Nations Food and Agriculture organisation puts livestock-related greenhouse gases as high as 18% of the world total 87 (more than transport) although this figure has been disputed and is being re-examined. According to Defra and the Food Climate Research Network, about 8% of the UK’s greenhouse gas emissions are associated with the rearing and production of livestock for consumption. 88 The Cranfield review found that the UK will be unable to reach the Kyoto Protocol targets by technological or production-side interventions alone and that changes to consumption patterns will also be required. 89

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89 Audsley, E., Brander, M., et al., 2009, How low can we go? An assessment of greenhouse gas emissions from the UK food system and the scope to reduce them by 2050, Cranfield University. FCRN-WWF-UK.
However, there is good evidence that some forms of production are less damaging than others. For example, naturally reared "grass-fed" cattle are associated with lower greenhouse gas emissions than intensively reared "grain-fed" cattle and the code has sought to reflect this. By supporting grass-fed cattle reared to high animal welfare standards we can continue to support British farmers while actively working towards reduced emissions targets.

**Sustainable Agriculture and Animal Welfare:**
The proportions of IPM, LEAF mark certified and enhanced welfare chicken and pork contained in the code would need to be determined by the steering group taking into account the ability of supply to meet demand.

**Food quality, health and well being:** *fresh food preparation from unprocessed ingredients.*
Some forms of processing that do not impair the nutritional quality of the product may be included in this criterion, such as speedily frozen fruits and vegetables.

**Local Procurement:** *use of locally available produce to cut food miles.*
The taskforce recognises that it is not always the case that food that has travelled fewer miles between production, processing and consumption has a smaller carbon footprint. However, in the majority of cases, lower food miles do equate to a smaller carbon footprint. And food miles can be taken as a useful indicator of the carbon footprint and sustainability of food stuffs (unless evidence to the contrary is available).
LEGAL OPINION
Simon Randall CBE, Lawrence Graham LLP – advice to Taskforce:

Legal advice provided to the Taskforce has confirmed that the Taskforce’s policy proposals are compatible with EU Law. They respect the fundamental European Union principles of non-discrimination, equal treatment, transparency, proportionality and mutual recognition90 and seek to ensure a synergy between these principles and sustainable development.

In 2001, in an Interpretative Communication on the Community law applicable to public procurement91 the European Commission stated that the European Commission positively and actively encourages “green purchasing”, which it recognises can “make an important contribution towards sustainable development”. Under the EU legal framework public authorities can - and are encouraged to - take into account environmental characteristics when deciding on the subject matter of a contract notably when defining the ‘selection criteria and the award criteria of a contract’. Environmental characteristics are listed explicitly amongst the criteria, which may serve to identify the most economically advantageous tender.92

The Commission also stated that while there is no inherent contradiction between sustainable development and EC Law ‘if it is considered that the current public procurement regime does not allow adequate possibilities for the taking into account of environmental considerations, then modification of the public procurement Directives would be necessary’.93 It is therefore clear, that the Commission positively and actively encourages an engagement between awards of public procurement contracts and environmental concerns and that the Commission is willing to address any hindrance imposed by the current procurement law regime to sustainable food procurement in the public sector.

90 Articles 49 EC Treaty
91 Commission of the European Communities, Commission Interpretative Communication on the Community law applicable to public procurement and the possibilities for integrating environmental considerations into public procurement (4 July 2001)
92 Articles 53 + 54 of the proposals for modification of the public procurement directives, adopted by the Commission on 10.05.2000.
93 Commission of the European Communities - “Commission Interpretative Communication on the Community law applicable to public procurement and the possibilities for integrating environmental considerations into public procurement” (Brussels- 04.07.2001)
EXAMPLES OF BEST PRACTICE

The following are examples of what can, and has been, achieved both locally in the UK and internationally.

Holland leads the way on Sustainable Public Procurement

In 2005, the Dutch Parliament made an ambitious commitment to 100% sustainable procurement across the public sector.

For public sector food contracts, the new Dutch policy required that, by 2010, 40% of all food purchased by the national government must be organic or fulfil one of six other sustainability criteria.

As a result of the Dutch government’s clear commitment to sustainable procurement, catering companies now seek to out-compete each other by offering higher levels of sustainably produced food.

“What we see in The Netherlands is that catering organizations are challenging their competitors by raising the 40% (organic or products with sustainable features) up to 95%! I think this is a great consequence of the Dutch procurement program.”

Christien Pennings, Sustainable development Consultant, Schutteelaar & Partners, Zeestraat.

Since the Dutch government is successfully meeting their 2010 commitments, they now plan to reassess their sustainability criteria in 2012 to make the standards tougher and more aspirational.

<table>
<thead>
<tr>
<th>Dutch Sustainability criteria for food</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organic.</td>
</tr>
<tr>
<td>2. Products containing one or more ingredients from organic farms or from farms in transition to organic.</td>
</tr>
<tr>
<td>3. Limited use of chemical pesticides (below legal minimum).</td>
</tr>
<tr>
<td>4. Free-range meat.</td>
</tr>
<tr>
<td>5. Sustainably caught fish.</td>
</tr>
<tr>
<td>6. Plants cultivated using recognised energy saving methods or sustainable energy sources. (Products grown in energy efficient greenhouses.).</td>
</tr>
<tr>
<td>7. Minimum food miles - ingredients travel the shortest possible distance.</td>
</tr>
</tbody>
</table>

94 SenterNovem, July 2009, Criteria for the Sustainable Procurement of Catering
<http://www.senternovem.nl/mmfiles/ENG_Criteriadocument%20Catering%20v1.2%2028-07-09_tcm24-323613.pdf>
<http://www.senternovem.nl/sustainableprocurement/what_is_it_about/index.asp>
School Meals in Rome: The Quality Revolution

Rome revolutionised its school meal system in 2001 under the leadership of the Green Party’s Mayor, Francesco Rutelli. Rutelli was keen to introduce organic catering for the City’s 150,000 school children, in the interests of protecting their health.

This initiative followed the enactment by the Italian Government of a law in 1999 to promote “the use of organic, typical and traditional products” in all school and hospital canteens.

Contracts to caterers were awarded on a new points-based system that took into account both cost and quality criteria. Caterers were required to supply organic fruit and vegetables and the tender rewarded those caterers who improved the quality of the products and services they offered beyond the minimum requirements.

By giving the market the opportunity to respond “Rome unexpectedly managed to bring to the children’s table…not just organic fruit and vegetables, but also organic olive oil, mozzarella, yoghurt, veal, pork, turkey and ham.” (Sonnino)

The award criteria were later expanded to include:

- Nutritional requirements to prevent childhood obesity
- Renewed emphasis on seasonality, variety, tradition and health
- Increased number of organic products
- Ethnic menus to celebrate the multiculturalism of Rome’s school children
- Unutilized foods and leftovers to be donated to charity associations and animal shelters
- Incentives to source products from social co-operatives
- Incentives to promote environmental sustainability, e.g., requirements on recycling, use of low-impact detergents and bio-degradable plates
- “Guaranteed freshness” - food products to have been harvested no longer than three days before being served in the schools

Rome was the first city to use food miles (the number of kilometres and hours between harvesting and consumption) as an award criteria.

To encourage industry and consumer buy-in for the initiative the city administration set up a permanent round table to ensure a constant dialogue between contracted suppliers and the city authorities and established a dialogue with the Canteen Commissions in every school. These are made up of parents who inspect the catering premises and provide feedback on the children’s reaction to the changes being introduced.

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As the subsequent Mayor Walter Veltroni (Democratic Party) said ...“everything we do aims to keep together economic growth and social cohesion”. Rome’s school meals were seen as an integral part of the wider role of the school as “a place that promotes cultural, health and solidarity values that are important for the welfare of the entire community”.

Rome feeds some 150,000 school children 190 days a year.

Approximately 150 tonnes of food is served per day.

Today:

- 67.5% of the food is organic
- 44% of the food comes from ‘bio-dedicated’ food chains
- 26% of the food is local
- 14% of the food is Fairtrade
- 2% of the food comes from social co-operatives that employ former prisoners or that work land confiscated from the mafia.
East Ayrshire: Sustainable School Meals

East Ayrshire is regarded as the first ‘Sustainable’ school food service in the UK. The county’s children enjoy healthy meals made from fresh, local and organic ingredients and in the process the Council is contributing directly to the environment, economic regeneration and local employment as well as the health and education of its children.

The approach is characterised by local sourcing of innovative menus and recipes that have removed processed food, and is underpinned by strong partnerships involving, pupils, school staff, parents, public health practitioners, dieticians, food suppliers, catering staff and food campaigners.

East Ayrshire’s School Meals Service subsequently adopted the Soil Association’s Food for Life scheme as a framework for the initiative that has been developed and was one of the first initiatives to be awarded the Food for Life Catering Mark at Gold standard.

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**East Ayrshire Sustainable School Meals Key Points**

- 30% of food served is organic, 70% locally sourced and 90% is unprocessed.
- School meals uptake in primary schools increased by 4% 2004/2009 and secondary school meals uptake was maintained as opposed to the national trend where a reduction was generally apparent. Secondary school meals increased by 4% in 2008/9.
- A number of schools on the Food for Life Programme initially increased their uptake by as much as 30%.
- 88% of pupils said they prefer fresh food and 67% of the children think that school meals taste better. 77% of parents believe that the scheme is a good use of council money.
- East Ayrshire has successfully challenged and proved that school food does not mean cheap food.
- Over 40 primary schools and one secondary school purchase produce within 30 miles of Kilmarnock.
- Local food procurement contracts have increased investment into the local economy by £250 thousand.
- As well as creating a local food market by switching to local suppliers East Ayrshire’s school meals service has reduced the average distance food travels by at least a third and has produced significantly less packaging waste.
- A study commissioned by the Scottish Environment Protection Agency demonstrated reductions in CO₂, and another study on Social Return on Investment revealed a £6 value returned for every £1 spent on the project. This represents a return per pupil of £99 for an investment per pupil of £13 per annum.

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According to Robin Gourlay, Head of Services at East Ayrshire Council, the “Encouragement of uptake within schools, parental evolvement, local community support and involvement of local suppliers was essential to success. It also requires imaginative approaches to engage pupils about the importance of food and the impact of food on their health and on the environment”.

In spite of a significant increase in ingredients, costs on certain products, for example fresh meat from a local farm in comparison to produce offered through national contracts, the total increase in costs within schools over the four week menu cycle is around 10 pence per meal, an increase of 10-15%.”
The Cornwall Food Programme – A Fresh Approach to Hospital Food

‘The quality of the food we are getting is so far above what we were getting from national contracts that it is helping patients get better more quickly’

Mike Pearson, head of hotel services, Cornwall Healthcare Estates and Support Services

Since 2001, the NHS in Cornwall has pioneered an innovative approach to buying and cooking food for its three flagship hospitals: the Royal Cornwall Hospital, St Michael’s and the West Cornwall Hospital.

The Cornwall Food Programme, working in partnership with the Soil Association, has transformed menus by serving increasing amounts of fresh, locally produced and organic food to patients, visitors and staff.

There have been major changes in the food served in Cornish hospitals. These include the introduction of a local, clotted-cream ice cream, which is higher in calories and less likely to melt before patients eat it. The new ice cream has proved very popular, and has cut the amount spent on expensive, powdered drink supplements previously given to elderly patients to maintain their calorie intake.

A locally made fishcake has replaced the nationally procured fishcake used previously, which was “as hard and as tasty as a hockey ball”, according to one patient. The new fishcake is made with locally caught fish coated in breadcrumbs. The fish content has increased from 30% frozen fish to 40% fresh fish, combined with locally grown potatoes. The contracts for fruit and vegetables, meat, fresh milk, eggs and dried goods are now all awarded to Cornish companies.

The Cornwall Food Programme has achieved all this without increasing costs – and within the Royal Cornwall Hospital’s food budget of £2.50 per patient per day.

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The project’s successes include:

- Excellent patient feedback showing increased satisfaction with the quality and taste of the meals.
- Spending 83% of the Royal Cornwall Hospitals Trust’s £975 thousand food budget with companies based in Cornwall in 2006.
- Spending over £402 thousand of this – 41% of the budget – on Cornish produce.
- A 67% cut in annual ‘food miles’ travelled by delivery vehicles, from 164,000 miles before the project to just under 54,000 miles in 2006.
- Increased turnover and new customers for local producers, for whom NHS contracts have proved not only beneficial in their own right but also a trigger for other opportunities.
- A new farm shop at the Royal Cornwall Hospital, enabling patients, staff and visitors to buy fresh, local and organic produce two days a week. There are also plans to develop a home-delivery box scheme using NHS courier services.
- Over 75% of the ingredients served in the hospitals are fresh.

In February 2008, the new Cornwall Food Production Unit was completed. A state of the art central kitchen, employing up to 28 people, the unit prepares and cooks meals onsite using locally grown and sourced ingredients. It buys in fresh, local and organic vegetables and prepares them on site at a total cost that is competitive with that previously paid to purchase pre-prepared, non-local, non-organic produce. The Cornwall Food Production Unit currently supplies Royal Cornwall Hospital, St Michael’s and the West Cornwall Hospital but it has the capacity to produce food for many other healthcare establishments.

Overall, the Cornwall Food Programme offers an exciting blueprint for NHS trusts looking to deliver more healthy and sustainable food in the nation’s hospitals. The programme has also successfully demonstrated that improvements in the quality of hospital food, improved service to patients, benefits to the local economy and greater environmental sustainability can all be achieved within the constraints of public sector procurement rules and tight NHS budgets.

‘The food at Treliske is the best hospital food I have ever come across’
Female patient from Helston

‘The food was exceptionally good, healthy and attractively cooked and presented, which hastened recovery’
Female heart patient from Truro
In 2001, Mike Duckett joined the Royal Brompton Hospital as catering manager. Motivated by the poor reputation of hospital food, with the support of the hospital management, he set about radically reforming the food procurement and catering.

Mike’s love of giving people high quality food pervades everything he does. “If a patient is happy after having a meal they will be more receptive to treatment,” he says. “Furthermore, food is part of their recovery process”.

On a budget of £3.74 per patient per day, including mid-afternoon tea and cake, Mike provides high quality, fresh, locally sourced and organic food. 27% of his food budget is spent locally within a triangle from Bedford to Dover to Salisbury and 5-6% of the food served is organic. £3.74 is slightly higher than the average London Hospital spend of £3.20 per patient per day but Mike subsidises this with the income generated by his retail catering outlets.

27% of all Royal Brompton hospital food now sourced from local or organic suppliers. For example, free range eggs from Kent, bread from Kilburn (London) and mushrooms grown under the North Circular Road.

- Organic meat is served to patients two days a week.
- All chicken served has the freedom food mark.
- Soups are made onsite with locally grown organic vegetables providing 50-60% food content as opposed to, for example, 4% chicken in Heinz Chicken Soup.
- Healthier options in vending machines and organic/Fairtrade tea and coffee.
- Organic milk served to patients, staff and visitors.
- Milk deliveries cut from six to three times per week.
- All hospital food waste is picked up for composting.
- Monthly patient consultation meetings.
- Fast track payment system for local farmers and small suppliers to assist their cash flow.

Information provided by Ducket, M.
The Royal Brompton Hospital consistently scores 70-71% for its meals in the annual national survey carried out by the Care Quality Commission almost 20% higher than the national average (national average 52%). And 94% of patients said they were offered a choice of meal they liked.

The Patient Environment Team Audit has awarded the hospital its highest rating of three stars.

Staff retention is also up and absenteeism down – both of which have been attributed in some measure to the excellent staff canteen.

Royal Brompton Hospital is also an integral part of the ‘Chelsea procurement Cluster’ run by Sustain. The cluster that is made up of Royal Brompton Hospital, Royal Marsden Hospitals Trust (Fulham road and Sutton hospitals) and Thamesmead care home, is a collaboration of government run catering services in the area, working together to secure value for money in the procurement of “quality seasonal food using organic, free range and freedom food with emphasis on the nutritional content and a healthier choice”. The Imperial College South Kensington Lambeth Hospital is also considering joining the cluster.

The cluster is also collaborating on the content of menus, to be aligned to locally available, seasonal produce and to take into account future sustainability aims. This includes the bottling of Thames water rather than using retail bottled brands.
SUSTAINABLE FOOD PROCUREMENT IN THE PUBLIC SECTOR REPORT

ENDORSEMENTS

Rosie Boycott, Chair, London Food and Journalist
“I think that this is an invaluable piece of work to set us on a course which will make our food procurement systems both healthier, more local and seasonal and more sustainable. It is nothing short of shocking that work like this has not been attempted before, as we face great uncertainty in our food supplies in years to come and there is no time to lose.”

The Business Services Association
“The Business Services Association represents the UK outsourced and business services industry, including major providers of food and catering services. We participated in the work of the taskforce and support its proposals.”

“BSA Full Members have a combined worldwide turnover of c.£69 billion and employ around two million people. In the UK the combined turnover is c.£14.3 billion and c.350,000 people are employed across the country.”

NFU
“The NFU is pleased to have been able to contribute to the Conservative Party’s Sustainable Food Procurement Taskforce report and believes that it has reached some positive conclusions. The NFU has consistently stated that without standards covering health, environmental impact and animal welfare for the procurement and provision of public sector catering procurers will primarily, if not wholly, focus on lowest cost irrespective of any kind quality or provenance considerations.”

“The introduction of mandatory minimum standards will ensure that British farmers and food producers will be able to compete on a level playing field, will ensure that the quality of the food offering in the public sector improves and lead to a more sustainable UK food supply chain.”

Sodexo
“At Sodexo, as a leading meal provider to the public sector, we understand our responsibility to provide healthy, sustainable meals for patients, prisoners, soldiers and schoolchildren. We are committed to providing value for money food at a high standard of quality and therefore welcome this report.”

Soil Association
“The approach this report takes offers important support for British food producers. The basic standards and Code for Sustainable Food will ensure systematic improvements to ethical, environmental and animal welfare standards, flexible enough to encourage innovation and competition in the catering sector and to offer the public advice on a more sustainable diet. The Soil Association Food for Life Catering Mark already proves that such an approach is both achievable and affordable for caterers.”
Roberta Sonnino, Lecturer, Cardiff University

“The Report proposes the most thorough sustainable public food procurement strategy ever devised at the national level in the UK...perhaps in Europe. A comprehensive policy that holds the potential to turn public procurement into an effective tool to deliver the social, economic and environmental objectives of sustainable development.”

Sustain: The Alliance for Better Food and Farming

“Sustain’s Good Food for Our Money campaign believes government must take responsibility for setting legal health and environmental standards for public sector food so that all food served is good for us, good for farmers and good for the planet. The Taskforce report sets out a clear, workable and sensible way forward, which has the support of health, environment and farming groups, as well as the catering industry. It proposes a minimum entry level standard for all food bought with public money, and then a flexible system to reward progress to even higher standards over time. We believe this is a responsible approach and it would unlock much-needed support for improving our national food system. In the past, governments have wasted tens of millions of pounds of taxpayers’ money on voluntary schemes and ineffective guidance to improve food served in schools, hospitals and the armed forces. Only where standards have been consistently applied has there been any lasting improvement in the quality, healthiness and sustainability of the food. Sustain therefore welcomes the publication of the Taskforce report which rightly recognises the importance of specific and enforceable action to improve public sector food, as well as the transformational health, social, economic and environmental benefits that this would achieve. We look forward to supporting such proposals being turned into action, for the good of everyone.”
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