

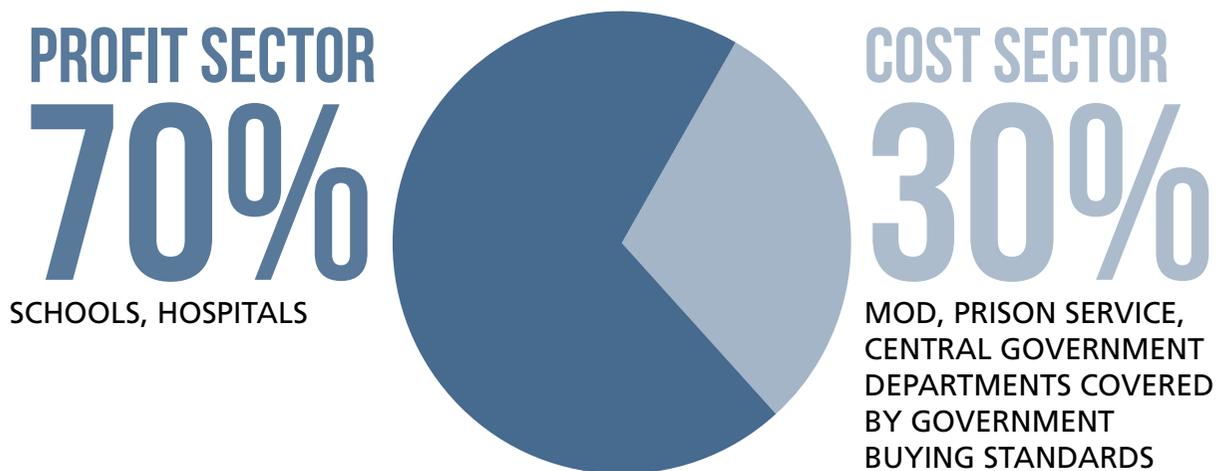


# PUBLIC PROCUREMENT TOOL KIT

# OVERVIEW OF PUBLIC PROCUREMENT

Public procurement refers to any purchases made using public money. Public procurement of food for public catering operations in hospitals, schools, the Ministry of Defence (MOD), Prison Service and care homes, as well as catering providers to central government departments. The whole sector spends approximately £2.2 billion on food.

Although this is only a small part of the £10bn the whole foodservice market spends on food, it is disproportionately important as this is backed by government policy.



## GOVERNMENT INITIATIVES FOR FOOD

### GOVERNMENT BUYING STANDARDS (GBS)

These are a set of standards, managed by Defra, that contain requirements about how food is sourced and cooked, as well as nutrition and general good standards of catering practice. The NFU has worked hard to make sure British food is represented within the standards, and the Red Tractor logo is recognised within them. The standards are only mandatory in a small proportion of public sector catering outlets

### THE BALANCED SCORE CARD

The score card is designed to be used in conjunction with the GBS, it is not mandatory to use this, but we see advantages in caterers using the card. The card promotes cost in terms of value rather than cost alone being the main driver for buying food.

### THE PROCUREMENT PORTAL

DEFRA is currently building a portal that will enable all food businesses to interact with public sector food contracts and caterers. It has suffered delays, but is due to begin operation early 2017.

# BUSINESSES TO TARGET?

Public procurement outlets are serviced in a complex way. We need your help to influence the procurement policy, identify who sets out procurement policy, and how it is organised in your area.

## **Schools – catering can be managed by the:**

- Local authority;
- A contract caterer;
- The individual school; or
- All three can operate in one school or clusters across the region.

## **Hospitals – catering can be managed by:**

- Individual hospitals;
- Larger combined trusts; or
- Contract caterer, either individual hospital or trust.

## **MOD (mandatory application of GBS):**

- Mostly contracted out to large-scale contract caterers. Only a tiny proportion is still managed by MOD procurement staff.

## **Prison service (mandatory application of GBS):**

- The catering is managed by various national contract caterers.

## **Central government departments – (mandatory application of GBS):**

- The catering is managed by national contract caterers.



## **WHY WE NEED YOU?**

The public sector market is hugely fragmented, and there are thousands of outlets, buying and sourcing food from a huge array of wholesalers, all with very different sourcing arrangements. This fragmentation makes it difficult to influence sourcing policy and relay where British farming and its primary ingredients offer the caterer benefits. We would like to make use of our regional structure and better engage with the catering businesses.

Staff catering, healthcare, education, services (MOD). Generally margins are very tight, and costs are critically important. These types of outlets can be operated by local authorities, NHS trusts, or the catering contracted out to specialist caterers. These businesses can be big national businesses like Compass, Sodexo, or smaller privately owned regional or local contract caterers, of which there are hundreds around the country.

# WHY ARE WE ASKING PUBLIC PROCURERS TO BACK BRITISH FARMING



Begin all conversation, by explaining what the NFU is and why the food supply chain is important to us and our members. This background information will help you.

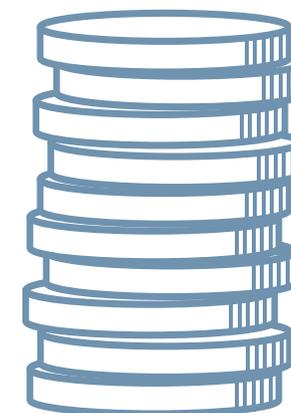
British farmers are proud to produce great British food. They work hard to deliver high quality, tasty, fresh and affordable food to world-leading standards.

British farmers are working hard to enhance the British countryside, to protect the environment, maintain habitats for native plants and animals, maintain footpaths, and safeguard watercourses.

Britain's farmers and growers supply 61% of the nation's food, and 76% of the sorts of foods that can be grown in this country. Food security is vitally important as volatility in the supply chain increases.

Farming is the foundation stone of the UK's food and drink industry worth some £108bn – the equivalent of 7.2% of the GVA of the UK economy. The farming and food sectors provide some 3.9 million jobs.

Ultimately, some British health and welfare standards are ahead of European and global standards. In the past, the UK has moved faster than other countries to introduce animal health or welfare legislation. British farmers are proud of their animal welfare standards.



UK food and farming sector is worth  
**£108 BILLION**  
or 7.2% of national GVA (2014 data)

# HOW AND WHY PUBLIC PROCURERS CAN MAKE A DIFFERENCE



- Buying British can add a degree of **security of supply** into a business; ensure that their deliveries come when they need them.
- The food service business is able to use **in-season product** at the height of quality e.g. British new season lambs, asparagus, leeks. It is worth considering what seasonal products are available in your region.
- A good option is to start looking at **moving products that are popular within the food service sector to British** e.g. Sausages, Burgers are normally good choices as they are competitively priced
  - Other options could be Core lines in dairy such as cheddar, cream and milk. Potatoes and potatoes products.
- This is not purely about buying locally, food service businesses can support the British economy and British agriculture. **Just by buying British food from their normal wholesaler or caterer** they are making a difference.
- We know that the **provenance story in the Foodservice market continues to be important for consumers**. Research by Mintel found that 74% of consumers say that meat coming from well-looked after animals is one of the top issue<sup>1</sup>. Has their protein got the provenance customers expect?
- **Purchasing Red Tractor products**. Red Tractor is the largest food standards scheme in the UK, covering animal welfare, food safety, traceability and environmental protection



- A team of experts constantly review our standards to make sure they reflect the best new thinking standard.
- Products bearing the Red Tractor logo have been produced to some of the most comprehensive and respected standards in the world, across a wide range of products, including meat and poultry, dairy, cereals and fruit & vegetables.

<sup>1</sup> Mintel (2015) 74% of consumers list animal welfare among the top factors which make a food brand ethical. Available at: <http://www.mintel.com/press-centre/food-and-drink/74-of-consumers-list-animal-welfareamong-the-top-factors-which-make-a-food-brand-ethical>

# KEY QUESTIONS TO ASK

Who currently is responsible for managing the sourcing of food products?

Do your consumers ever ask you about the origin of your ingredients?

Where are your ingredients sourced from?

Do you procure using the government buying standards – have you used the Balanced Score Card?

Do you give any additional information about your ingredients on your menu?

How much British product do you currently use?

How often does your menu change?

What stops you from doing more?

If price is a key concern, have you considered looking at the price differential on cheaper products e.g. sausages, burgers, stewing beef etc.?

## RESOURCES AVAILABLE TO YOU

- A draft e-mail to develop initial contact with a public procurement outlet (Appendix A)
- NFU seasonality calendar
- Red Tractor A5 leaflet – What does Red Tractor mean?
- Red Tractor beer and food leaflet

Regional contact with National bodies that represent public sector caterers in schools and hospitals.

HCA – The Hospital Caterers' Association

LACA – The Lead Association for Catering in Education

## REPORTING PROGRESS

We would love to hear about how your conversations on this programme progress and get your feedback. We would therefore be grateful if you could complete the reporting form (appendix B) and return it to us following your meeting. Please can you e-mail your progress to [Lorna.hegenbarth@nfu.org.uk](mailto:Lorna.hegenbarth@nfu.org.uk)

## KEY CONTACTS

We are always more than happy to answer any queries you may have so please feel free to contact the main NFU representatives in this area:

Lorna Hegenbarth – Food Chain Adviser is an expert on Food Service – [lorna.hegenbarth@nfu.org.uk](mailto:lorna.hegenbarth@nfu.org.uk)



## Appendix A



To Whom It May Concern/ Dear .....

I am writing to you from the National Farmers' Union, where I am the county adviser/regional chairman for .....

As you might be aware customers are becoming increasingly interested in where their food comes from and how it is sourced. We are aware that Mint-el's 2016 shopper survey showed that 55% of consumers want to buy British food whenever they can, even while British food-producing capacity continues to shrink.

I therefore wanted to take the opportunity to come and talk to you about your current sourcing policies and how we might be able to provide you with some additional information that could help you to reach the requirements of the Government Buying Standards. By providing the catering for important public catering outlets within the local community, I would also like to take the opportunity to understand further how your procurement of food is structured.

I believe that there are a number of areas that would be of interest for us to discuss further including security of supply, animal welfare , and what farming looks like in your local area.

I would value being able to meet you.

Kind Regards

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National Farmers' Union

Agriculture House, Stoneleigh Park, Warwickshire CV8 2TZ

Telephone 024 7685 8500

# REPORTING FORM

NAME:

REGION:

NAME OF BUSINESS MET WITH:

DATE:

## BUSINESS OVERVIEW

e.g. type of restaurant, how many premises

## CURRENT SOURCING

## OVERVIEW OF CONVERSATION

## NEXT STEPS