

## Defra Public Sector Food Procurement Initiative (PSFPI) Project Report – May 2005

### Title

Developing ECS (Education Contract Services) Local Supply Network – second report

### Region

Yorkshire and the Humber

### Organisation

The project was supported by Yorkshire Forward and involved a Steering Group, with Grassroots Food Network as the contract holder, consisting of:

Robert Barraclough	Director - Grassroots Food Network, farmer
Rose Bridger	Local Food Specialist, project manager
Ann Hobbiss	Public Health Nutritionist - Bradford University
Julie Holmes	Purchasing Manager, ECS
Michael Holmes OBE (Chair)	NFU spokesperson on sourcing and procurement, farmer
Anthony Milroy	Director - Grassroots Food Network, agricultural and community development consultant
Roger Sheard	Business Development Manager, ECS
Ian Smith	Framework for Change Food Implementation Group, Government Office for Yorkshire and the Humber

### Description

The project aimed to implement the findings of the Phase 1 PSFPI project undertaken by the same steering group, i.e. taking forward the process of developing a local supply network with the motivation and capacity to supply ECS, Bradford Council's in-house specialist school meals provider, by:

- Organising workshops and visits for local suppliers and producing guidance notes to simplify tender processes;
- Conducting a cost/value chain analysis to identify potential efficiency savings;
- Increasing seasonal local ingredients in menus over the school year. This will increase opportunities for local suppliers and improve efficiencies in ingredient costs;
- Producing a Business Plan for development of a sustainable local supplier network, including collaborative infrastructure to bridge the gaps in the local supply chain and identifying potential grant and investment funding;
- Producing a process map to help participants visualise and engage with the concepts and practicalities of sustainable supply systems.

### Achievements and benefits

#### *Groundwork for increased use of seasonal produce*

ECS by Grassroots Food Network (GFN), with contributions from the steering group, have developed information on the seasonal produce that is available locally and the price fluctuations of this produce. This specific local information on seasonality complements the tools developed by Defra in support of the PSFPI. Work to align menus with local growing cycles, balanced with other concerns like nutrition, will be ongoing.

#### *Baseline information*

ECS has worked with suppliers to produce baseline information on the volumes and provenance of many produce lines, including fruit, vegetables and meat. This information is particularly useful for small-scale local suppliers interested in supplying the public sector.

The improved visibility of the supply chain paves the way for comprehensive analysis of the supply system through various methods such as material flow analysis and CO2 emission calculations. Such analysis should strengthen the evidence base and benefit of local sourcing. The work on visualising the ECS supply chain should also help engage people with the issues around sustainable procurement.

#### *Increased local supply*

The amount of local produce sourced by ECS is increasing incrementally and is currently estimated at 15% of the total annual expenditure on food of £4.6m. ECS define 'local' as food grown and produced in the region. The major breakthrough in the timeframe of the project is the successful sourcing of local (non-Halal) meat with the award of the contract to a local catering butcher.

The 'food-miles' have been reduced dramatically as a result of ECS increasing the opportunities for local producers to compete for their business. Previously the supply was often from as far away as New Zealand.

There are further environmental benefits as much of the frozen meat has been replaced with fresh, and the produce is vacuum-packed which has enabled deliveries to be reduced to once a week and reduced the packaging requirement. A saving of £30,000 on the £200,000 contract shows that local sourcing can be cost-effective. The savings made have enabled ECS to spend more on other ingredients to improve the quality and nutritional value of the meals supplied. A transparent documented audit trail is in place to enable value-chain analysis.

#### *Increased flexibility and accessibility of contracts*

Work is continuing to make contracts more flexible to facilitate local supply. A key goal is to structure contracts by supply rather than product category and to consolidate processing and delivery. The evaluation model for assessing bids, in addition to taking account of price and quality, incorporates mechanisms for minimising negative environmental impacts of the supply chain, including transport, and promoting the use of fresh and seasonal produce.

Feedback from PSFPI Phase 1 project's consultation with potential local suppliers was that the information they required to consider bidding for contracts was buried in lengthy tender documents - so key information on six ECS contracts due for renewal was compiled for the Meet the Buyer event, covering:

- Annual value
- Delivery frequency & sites
- Packaging requirements
- Product specification
- Quality standards
- Pack sizes
- Produce volume
- Tenure of contract
- Price reviews
- Payment terms

#### *Increased use of fresh produce*

An ongoing programme to increase the use of fresh produce - by replacing canned, frozen and processed food where possible - is running twin-track with the local sourcing. Training for unit managers in handling fresh produce is underway and the menu offer has been significantly changed.

It is becoming evident that the increased use of fresh produce has the potential to 'short-circuit' lengthy unsustainable supply chains – so obviating the need for a lengthy tangle of transportation, packaging, processing, and repeated heating and freezing.

More infrastructure is needed to enable public procurement to capture value locally and contribute to regeneration with primary processing, which does not compromise nutritional quality. The shift to fresh produce runs parallel with ECS' increasing use of seasonal produce.

#### *Development of local supply network*

A Meet the Buyer event was held on 14<sup>th</sup> April and attended by some forty established and potential suppliers from the region. The event brought ECS and the steering group together with primary producers and wholesalers/distributors. The event programme consisted of presentations from ECS, Ian Smith of Government Office for Yorkshire and the Humber and Ann Hobbiss of University of Bradford; plus tours of the ECS Central Production Unit (CPU) and a school dinner at a neighbouring school.

#### *Nutritional improvements*

The development of ECS' evolving food and nutritional policy includes:

- Nutritional analysis by West Yorkshire Trading Standards. Recipes are analysed through a software package to determine nutrient values;
- Salt reduction, with complete salt removal from primary school recipes and meals made at the CPU;
- Menu coding is being investigated to meet FSA (Food Standards Agency) guidelines;
- "Food In School" tool kit will be available from September 05 to support schools in developing a whole school approach to food policy;
- Increased parental involvement actively encouraged through flyers providing sample menus and information updates. A parents' forum has been established;

- Schools are actively supported in setting up a SCOF (School Committee On Food);
- Several organic produce lines have been introduced on a trial basis, some of which are sourced locally including carrots and milk;
- From September menus will be balanced to the requirements of the Caroline Walker Trust macro nutrient standards.

#### *Cost-efficiency*

All members of the steering group are long-term advocates of increased investment in school meals. One success story of this project is that, without investment, ECS, with the support of the steering group, has achieved all these improvements within the current cost constraints. This has maintained the current meal price, which is of particular importance to schools in disadvantaged areas. The steering group is of the opinion that a narrow focus on ingredient and meal cost is an inaccurate indicator of meal quality, with broader assessment criteria and interventions for school meal improvements being required.

#### *Contribution to PSFPI and sustainable public procurement around the UK*

- ECS has presented the local sourcing work and learned about the approaches of other procurers at PSFPI procurer workshops in Cambridge, Bristol, Birmingham and Devon;
- GFN presented the work at the 'Food and Regeneration' Conference organised by the Centre for Local Economic Strategies in December 2004;
- The work has been written up in case studies by Sustain and East Midlands Public Sector Procurement Strategy;
- Ian Smith and Michael Holmes have organised and presented at 4 PSFPI procurer workshops in Yorkshire, are members of Defra's FPIG (Food Procurement Implementation Group), the Government Offices for the Regions Steering Group and are working with neighbouring regions including the Government Office for the North East;
- ECS contributed to an enquiry into school meal provision in Camden, sharing the expertise in improving nutritional content of school meals and local sourcing within budget constraints;
- ECS presentation at Social Enterprise Support Centre local food workshop in October 2004 with buyers and suppliers from the region.

#### *Ongoing communication and team-building*

An underlying achievement has been the improved understanding between the steering group, which brings together procurer, suppliers, regional statutory bodies, two NGO's (non-governmental organisation) and academic expertise.

This has involved five steering group meetings, 4 'task' meetings and considerable communication throughout the project. The communication within the steering group has helped communication between ECS and the local supply base through networks such as Bradford and Airedale Food Network.

### **Lessons learned during implementation**

#### *Barriers to increased use of seasonal produce*

School menus had lost track of seasonality for a long period before the local sourcing programme. Further work is needed to present the complex information gathered by the project in appropriate formats for busy Unit Managers in school kitchens, such as a simple 'matrix' of seasonal produce. Steering group members' work on the ground has revealed major opportunities to increase use of seasonal produce, such as instances of gluts of cauliflowers currently ploughed back into ground due to lack of a route to market.

#### *Local sourcing not demand led*

While ECS is committed to local sourcing and has made great progress, local sourcing is not demand led. Schools set their own menus, and other concerns, in particular nutrition, are more pressing. Provenance of food is not a widespread concern but there is increasing interest from schools and parents.

### **Failings/challenges**

#### *Pressures of short-term project*

Events and publications are a useful focus for activity but they take a lot of energy, especially in a short-term project such as this one on a small budget of £8,000. The workshop and visit for local suppliers took longer than anticipated to organise because the group was wary of 'marching farmers up the hill' without considering the support and information required on the demand side to enable them to bid for ECS

contracts. Time was spent preparing key information on contracts coming up, getting the first tier suppliers on board and thinking about the appropriate format for the event.

#### *Asset Transfer Management*

The local sourcing work is taking place with a backdrop of uncertainty as ECS is in the process of Asset Transfer Management - so it is not known if the motivation for local sourcing will continue. The Asset Management Project is seeking to deliver improved and more accessible buildings for customers and staff, improved facilities and services and support for front line services whilst supporting economic, social and physical regeneration of the area through additional investment. This will be realised through an out sourced partner who can bring expertise, investment and resources to facilitate the desired outcome. ECS is one of the services included as a commercial opportunity for the private sector.

#### *Increased demand from catering/retail*

There is increasing demand for local produce in the catering and retail sector, which is willing to pay a premium for known local provenance. There is concern that this demand will capitalise on the infrastructure for local supply that ECS has helped to establish, to the extent that it is eroded.

#### **Future developments**

Local sourcing is firmly established as a key ECS business objective and is embedded in policy and practice. GFN is part of a consortium, led by ADAS (Agricultural Development and Advisory Service) working on a Yorkshire Forward supported project to develop regional food supply opportunities for public procurement. Roger Sheard of ECS is advising the project.

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3<sup>rd</sup> May 2005