

Independent Review into Public Sector Food Procurement

May 2024

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Foreword by Will Quince MP

I am honoured to have been appointed to lead this independent review to enhance public sector food procurement by the Secretary of State for Environment, Food and Rural Affairs, The Rt Hon Steve Barclay MP.

The UK's public sector food and drink procurement spend is approximately £5 billion a year. Whether it is schools, hospitals, prisons, our armed forces or local authorities, our mission must be to ensure that taxpayers' money is spent on healthy, nutritious and sustainable food that meets the highest standards, and wherever possible supports British farmers and SMEs.

A huge amount of good work is already underway. However, there is a significant opportunity to raise and increase uptake of high standards, deliver environmental and sustainability benefits, and encourage greater uptake of seasonal produce amongst caterers, suppliers and wholesalers for their customers.

The public sector has the power through its procurement to help tackle challenges like climate change, environmental standards and protecting animal welfare. It is also ideally placed, within organisations serving the public, to lead by example to stimulate communities, remove barriers to businesses and reconnect people with the food they eat.

In this review I set out to deep dive into the work Defra is already undertaking to enhance food procurement in the public sector. Supported by a small Defra team, I looked at how to increase the impact and reach of the existing Government Buying Standards for Food and Catering Services (GBSF). I also looked beyond the scope of the GBSF to explore other ways to improve our public sector food and catering policy. In addition, I sought to identify ways to boost animal welfare and environmental standards and make our public sector food supply chains more accessible to small-and-medium sized businesses and farmers.

A review of this nature could have easily taken six months or more to consult on, gather evidence and make a large number of recommendations. Those could then take many more months or years to implement. Instead, working with Defra officials, we worked at pace to engage, gather evidence, and identify challenges and opportunities. The result is a set of recommendations that could help unleash the huge potential for public sector purchasing power to achieve ambitious and transformational change.

I would like to thank all those who took part and contributed towards this review.



Will Quince MP



Biography

Will Quince MP worked in the food and drink industry before qualifying as a solicitor and his subsequent election as Member of Parliament for Colchester in 2015. Will has held ministerial roles at the Department for Work and Pensions, the Department for Education and Department for Health and Social Care. Will has always taken a keen interest in food and drink policy. During his time as a minister, he worked on tackling food insecurity, school meals, healthy start vouchers, the school fruit and veg scheme and the Holiday Activity and Food Programme. He also helped establish the Food and Essential items Taskforce during the COVID-19 pandemic.

Summary

The Secretary of State for Environment, Food and Rural Affairs commissioned this independent review to enhance public sector food procurement. It looks at opportunities to raise high standards; deliver environmental and sustainability benefits; and increase accessibility of public procurement especially to SMEs and farmers.

In particular, this review took an in-depth look at:

- how the Government Buying Standards for Food and Catering Services (GBSF) – which set mandatory and good practice standards for public sector food procurement – apply in the public sector, the barriers to use and how to overcome them.
- opportunities to extend the GBSF, especially to education settings. Education settings spend around 60% of the total £5 billion annual spend on public sector food procurement, so have great potential to help achieve GBSF aims.
- other schemes and practices which support GBSF aims and increase accessibility of public sector procurement to SMEs and farmers.

The GBSF aim to improve the quality of food and drink in the public sector, and to use public procurement to tackle wider challenges such as achieving net zero, living sustainability and ensuring animal welfare. They contain mandatory and good practice elements, but are not mandatory across the whole public sector, and have not been officially monitored since their introduction in 2011.

Methodology

We spoke to public sector procurement professionals and government departments to explore their experience and insights. Defra also commissioned KPMG to research and provide qualitative insights on buying personas and drivers for decision making. Finally, we reviewed procurement processes, international case studies and ‘Food for Life Served Here’ – an accreditation scheme which also promotes healthy and sustainable food – to help drive uptake of the GBSF and increase accessibility of procurement opportunities.

Findings

We discovered six main themes. These are summarised below and reflected in the chapters that follow.

Barriers to compliance

The first was that lack of awareness of the GBSF, lack of consistency in monitoring and compliance, and multiple different standards across the public sector are barriers to take-up. Those we spoke to told us of high level awareness of the GBSF, but systemic barriers to compliance, lack of clarity on expectations, with the picture further blurred by different sets of standards applying to or available across the public sector.

This review recommends that government unifies and mandates standards across the public sector, with exemptions or provisions for different parts of the public sector where necessary; and publishes the updated GBSF and government response to that consultation. In addition, that government encourages innovation, best practice and continual improvement – particularly through school accreditation to Food For Life Served Here - and local champions, to celebrate what public procurement can achieve now and as a stepping stone to unified mandatory standards in the longer term.

Monitoring and compliance

The second theme was that with no routine monitoring of compliance with the GBSF or implementation, there is little evidence for their effectiveness or implementation. Those we spoke to told us clarity was lacking on what is needed for compliance, with the burden of proof on the supplier, and difficulty evidencing for the procurer.

This review recommends that government develops metrics to assess compliance with the GBSF, undertakes a mapping exercise to understand data requirements, and identifies what data is needed and why. In addition, that government introduces centralised data monitoring and clear reporting structures for reporting to government.

Making public sector food procurement systems more accessible for SMEs, farmers and growers.

The third theme was that public procurement should be more accessible to a range of sources including SMEs and farmers, which both procurers and suppliers can benefit from. Those we spoke to told us that lack of understanding of how to supply the public sector, and complexity of the tendering process, are barriers.

This report recommends that government provides a support service for both buyers and suppliers to navigate and access public sector procurement contracts. This would be akin to the service which the Department for Business and Trade provides on exports.

Promoting best practice

The fourth theme was that public food procurement contracts often require large quantities of aggregated products and services which SMEs and farmers are unlikely to be able to offer. Those we spoke to told us that contract design broken into smaller parts would be more practical for SMEs and farmers. In addition, that more flexible systems, such as Dynamic Purchasing Systems (DPS) and similar platforms, would allow SMEs and farmers to come on board and bid for what they are able to provide when they can.

This review recommends that government encourages flexibility and accessibility within procurement systems for both SMEs and farmers, and procurers. In addition, that government promotes best practice and accessibility, and mandates that contracts be published on 'Contracts Finder' on gov.uk. It also recommends that government reviews the approach taken by the Schools Fruit & Veg Scheme - already funded by Government to supply 4-7 year olds- to ensure it too maximises access. Finally, that government sets sector-specific target spend on SMEs and farmers where appropriate and assesses where these add most value.

Supporting practical access to public procurement

The fifth theme was that even where organisations make procurement systems more accessible to SMEs and farmers, practical barriers for suppliers will likely remain, such as logistics, capacity, and infrastructure. Access will not significantly change without also addressing these.

Stepping into public sector procurement would be a big step and suppliers will need to know that it is worth the journey.

This review recommends that government provides £1-2 million of grant funding to facilitate local collaborations between SMEs and farmers and procurers. In addition, that Defra runs a regional pilot or partners with existing collaborations to help SMEs and farmers get involved in public procurement, shares learning and encourages other collaborations to develop.

Funding

The final and sixth theme was funding. Little will change if public sector organisations cannot afford it.

This review recommends that government increases and ringfences free school meal funding to reflect inflationary pressures, prepare for expansion of the GBSF across all public sector settings, and support future take-up of FFLSH.

Public sector procurement

Public sector procurement of food in England is covered by the Government Buying Standards for Food and Catering Services (GBSF), launched in 2011. The GBSF set out mandatory and best practice standards on food production, processing and distribution, and nutrition. They also extend to resource efficiency, sustainability (social, economic and environmental) and animal welfare. These standards – going beyond food and nutrition alone - reflect the increasing focus on wider societal challenges and benefits which was becoming a force in 2011 and has only grown since.

However, the GBSF are only mandatory within central Government Departments, NHS hospitals, the armed forces and the prison and probation service. The GBSF are not mandatory in other public sector organisations, such as schools and colleges, or local authority care homes. This means that only around £1.3 billion of the £5 billion annual spend is required to go towards achieving those standards. This is a missed opportunity to leverage the power of the public sector to achieve high standards for its customers, and deliver transformational benefits for the public good and value for public money.

In addition, compliance with the GBSF is not monitored nor enforced. This means there is little quantitative evidence on their effectiveness or value. There is also little incentive for compliance or - where organisations want to adopt the GBSF - evidence to support the case for doing so.

On top of that, the public procurement system is inaccessible to many in the food supply chain. Small and medium size businesses (SMEs) and farmers in particular find it complex and costly to access. In addition, they cannot always provide the large quantities of food required or guarantee consistent supply long term. This too is a missed opportunity to share the benefits and opportunities of public procurement with a wider range of businesses. SMEs and farmers may be well-placed to help us deliver on its standards, and benefit from access to another source of reliable income or invigorate local communities.

This adds up to a picture of high standards and ambition, but little evidence on effectiveness, impact or value for money, and systemic barriers to smaller businesses and farmers. This report supports the work the government is already doing to review the GBSF, and explores how to maximise and leverage their value and effectiveness. Public procurement can set and achieve

high standards, stimulate local economies and play its part in responding to critical environmental challenges.

Objectives

The objectives of this review are to:

- Consider opportunities to extend the reach of the existing framework, the [Government Buying Standard for food and catering services](#), particularly to education settings.
- Seek ways to make the system more accessible to small- and medium-sized businesses and farmers, as well as boosting animal welfare and environmental standards.
- Explore how we can ensure more compliance with the GBSF and other data monitoring and reporting needs.
- Examine international practices to establish if elements can be drawn on or replicated.

Scope

This review applies to England only.

This review is complementary to the government's ongoing work to achieve high standards of public sector food and procurement, and the 2022 consultation specifically on the GBSF which awaits a government response. Due to the limited timescale, the review does not discuss the standards themselves but rather, how we can more effectively apply these standards across the public sector. This review also does not discuss health or what constitutes good nutrition, although there is a merit at looking at these.

The public procurement landscape is complex. Overcoming barriers will require fundamental change larger than this review alone. This review was conducted in spring 2024 over a short period of time to identify at pace what could be achievable in the short term, and to set ambition for what is possible over the longer term.

Methodology

This review drew on four main sources of evidence to support its recommendations.

Insights from those involved in public sector procurement

This phase of evidence gathering explored the experience and insights of public procurement professionals, nuances across the public sector, compliance with the GBSF and accessibility of contracts for SMEs and farmers. Professionals including procurement managers and caterers, wholesalers, producers, the voluntary sector and SMEs attended workshops led by Will Quince. Government departments with responsibility for parts of the public sector, such as schools and prisons, also took part.

Drivers to change public sector procurement decision making

KPMG undertook a short-term project to analyse buying personas and understand what drives buying decision making. KPMG interviewed buyers, procurers, end-users and suppliers and developed a roadmap to remove barriers to sustainable procurement.

Review of procurement processes

This desk-top exercise reviewed existing processes for procuring public sector food and explored how to make procurement more accessible to a greater range of suppliers, especially SMEs and farmers. In particular, it looked at the roles of the Crown Commercial Service (CCS), an executive agency sponsored by the Cabinet Office, which provides commercial services to the public sector; the Procurement Act 2023, which will improve regulation of public sector procurement when it comes into force (expected in October 2024); and Dynamic Procurement Systems, which provides for pre-approved suppliers to streamline processes. In addition, the analysis investigated the potential for 'Food for Life Served Here' – an accreditation scheme which also promotes healthy and sustainable food – to support uptake of the GBSF to drive standards. It also examined international practices to see whether elements could be drawn upon or replicated.

Government Buying Standards for Food and Catering Services (GBSF)

The GBSF aim to improve the quality of food and drink in the public sector, and to use public procurement to tackle some of the critical challenges we face today, such as working towards net zero, living sustainability and ensuring animal welfare. Whilst no framework can be perfect, and good practice continually evolves, the GBSF are where we look to standards and is therefore the place to start when we look at how to improve food procurement for the public sector.

As we touched on earlier, the GBSF are not mandatory in most parts of the public sector – notably education and local authority residential care settings. This means we do not have one consistent set of high-quality food standards across the public sector. In addition, there has been no official monitoring of public sector food and catering procurement nor enforcement of the GBSF. This means that there is very limited evidence on the effectiveness of the GBSF or compliance with it. The House of Commons Select Committee on [Environment, Food and Rural Affairs \(EFRA\) Committee](#), which examines the expenditure, administration and policy of Defra, highlighted this as a significant shortcoming in its 2021 "Sixth Report – Public Sector Procurement of Food".

We have found from our engagement with public sector procurement professionals that there are systemic barriers which make compliance with the GBSF difficult where it is mandatory, and disincentivise uptake where it is voluntary. Therefore, we need to look at how to support public sector organisations meet baseline standards of compliance with the GBSF, and go above and beyond, consistently across England. The discussion that follows in this section discusses the barriers and makes recommendations to overcome them.

Barriers to compliance

Lack of awareness and consistency

Producers, wholesalers and distributors have high-level awareness of the GBSF. However, they find its expectations unclear, and monitoring compliance time-consuming and difficult. There is therefore a lack of consistency in awareness, understanding, and compliance with the GBSF across the procurement supply chain. This lack of clarity over what the GBSF expects and offers and how to monitor it lessens the likelihood of compliance and makes for inconsistent adherence. For example, some farmers involved in public procurement already comply. Others comply with its overall pillars - such as sustainability, net zero, and locality - but not explicitly with the GBSF. SMEs and smaller farmers/producers in particular find these barriers discouraging. However, local authorities also cite similar obstacles.

“The GBSF hasn’t landed at all just yet. It’s a set of guidelines rather than mandatory practices.” – Farmer

“GBSF has to be part of minimum criteria for products, but at farm level, they don’t see GBSF having much impact, it’s not effecting change at farm level” – Dynamic Procurement Systems Practitioner

Multiple sets of standards across the public sector

The GBSF are one of several sets of standards which apply within the public sector. The GBSF are not mandatory in education settings, for example, as mentioned earlier. Schools follow the School Food Standards (SFS) instead. Like the GBSF, these focus on good nutritional health and eating behaviour. Unlike the GBSF, they do not include requirements on food production standards or sustainability.

According to one procurement manager for a school's co-operative, even within schools there is no common framework for specifications or contracts, and individual schools can set different requirements. There are some attempts to standardise requirements through tendering portals which offer guidance to schools. One example is the code of practice provided by CATERed – a cooperative trading company owned by Plymouth City Council and 67 local schools - which includes some of the same standards as the GBSF.

Even in sectors where the GBSF are mandatory, there are still other competing sector-specific standards and considerations that need to be taken into account. Prisons and the armed forces have bespoke standards, which are referenced alongside the GBSF in contracts. In addition, the NHS’s 220 trusts in England have different aims and factors to take into account, such as patient acuity, regional bias, religious and lifestyle choices.

This fragmentation makes a one-size-fits all approach difficult. One set of standards, which allowed for differences between parts of the public sector, would take us towards clarity, cohesion and consistency. In the meantime, the GBSF have the potential to support other public procurement standards and help procurers to consider aspects beyond nutrition, such as environmental and social sustainability.

[Food for Life Served Here](#)

Whilst the landscape of different standards across the public sector is at the moment complicated, and the GBSF is not mandatory in all places, there are good practice schemes which can act as stepping stones towards the GBSF and the wider societal benefits it strives for.

The Soil Association's Food for Life programme is an accreditation scheme for schools, nurseries, hospitals and care homes that promotes healthy and sustainable eating and the importance of understanding how food is sourced, grown and prepared. It seeks to develop knowledge and skills to initiate long-term change. It also has wider social and economic benefits. For every £1 invested in Food for Life, an additional £1.85 - £2.19 of economic activity is generated in the local area, and £3-£6 of social return. We discuss how public procurement can contribute to communities later.

Embedded within the Food for Life programme is an accreditation scheme for caterers, Food for Life Served Here (FFLSH). It is the only third-party scheme acting to verify compliance with best practice standards in school caterers. Its standards are aligned with the GBSF, though less broad. FFLSH offers advice and support for caterers to adapt their practices and supply chains to become accredited. Where possible this includes offsetting increased costs of, for example, buying higher welfare or more sustainable commodities.

FFLSH therefore offers a bridge to greater compliance with the GBSF. It also brings significant potential impact. Over 2 million FFLSH-accredited meals are served daily and 400 million per year, including in around 25% of English primary schools, over 50 NHS hospitals and over 50 universities. FFLSH also injects benefits into communities which align with GBSF values. Some of these are illustrated in the success stories below.

A North West caterer with over 500 sites directs 53% of its ingredient spend towards local produce, and 6% of overall spend on organic, local food. FFLSH-accredited school meals in Nottinghamshire generate £5 million plus each year for the local economy. Birch Wood School in Leicestershire only serves British meat and poultry - including some organic - supplied by a local butcher, and works closely with local producers across school activities and celebration events. Radleys primary school in Walsall engages closely with local suppliers and sources meat from a local butcher assured by the RSPCA and Red Tractor suppliers in Staffordshire. Bury Council school meals use only UK meat and eggs.

Crimson Manor Care Home in Huddersfield spends 30% of its budget on organic vegetables, fruit, butter, cream and eggs from local farms. 83% of its food spend is on local produce and all pork and poultry is from local farms.

Forestry England, Highland Game and the East Lancashire Hospital Trust together introduced more than 1000kg of locally sourced wild venison from the Forest of Bowland to the menu, which increased uptake by 40%.

The Scottish Government provides £300K funding annually to support the Food for Life Scotland programme and help local authorities get more local, fresh, healthy and sustainable food into schools. Currently 1,152 schools are certified, accounting for 56% of all meals served in Scottish primary schools. Headline figures indicate 48% of their spend is on Scottish produce.

This is highest for certain product categories, such as meat. In West Lothian, 95% of fresh butchers' meat in primary schools is sourced within Scotland.

Since early 2023, FFLSH has generated £12.5 million on organic spend, £14.5 million on UK farm assured meat and £52 million on British produce. An independent evaluation by the New Economics Foundation (NEF) of Nottinghamshire County Council found that seasonal, local produce spend rose dramatically after signing up to FFLSH. A £4.75 million budget returned £3.11 in social, economic and environmental value for every £1 spent, most of which is attributable to the FFLSH elements of the wider Food for Life programme.

“The GBSF is loosely encouraged in schools but not followed by many. Food For Life Served Here is the only scheme monitoring compliance with the School Food Standards – we are doing the government’s job for them.” – Soil Association

In the longer term, we should aim for one set of standards across the public sector through the GBSF. In the meantime, we should encourage and support take-up of good practice where it already exists, has similar ambition to the GBSF and is delivering benefits to users and communities. FFLSH is clearly doing that.

Recommendations to overcome barriers to compliance with the GBSF and improve uptake and reach

1. Unify and mandate standards across the public sector

Government should work towards one set of unified standards, with nuances and/or exemptions for different parts of the public sector where needed. To achieve this, government should mandate the GBSF across all of the public sector, with exemptions or additional provisions for different parts of the public sector. For example, on nutritional standards or by size of organisation.

Timing: Government should consult on this proposal within 6 months. The proposal should be for full rollout within 12 months of the consultation ending.

2. Government should publish updated GBSF and its consultation response

Government consulted on changes to the GBSF in 2022 and has yet to publish its response. Government should publish the updated GBSF and its consultation response without delay.

3. Encourage innovation and uptake of best practice

Government should take action to encourage public sector organisations to embrace innovation and continuous improvement, increase uptake of non-mandatory best practice in the GBSF, and show the value of doing so. This is part of the journey towards mandating the GBSF. This should be done through the use of sector-specific assurance schemes to promote the benefits and encourage uptake of best practice.

Timing: In the shorter-term, government should encourage schools to use caterers signed up to

the Food for Life Served Here (FFLSH) scheme. To achieve this, government should offer financial support for school caterers to seek accreditation.

Government should set a longer-term ambition for other public sector settings to seek FFLSH accreditation within the next 2-3 years.

4. *Promote and celebrate use and benefits of best practice*

Government should encourage public sector catering settings to promote and celebrate their actions to move towards best practice in food procurement, and the benefits this brings to the organisation, consumers, and communities, and improve local recognition of their efforts. To support this in schools, the government should encourage caterers to use the FFLSH communication tools. Government should also encourage other public sectors to use FFLSH learning support and toolkits.

5. *Build a network of champions to promote innovation and best practice*

Government should work with public sector organisations to build a network of ambassadors/champions working at local level (for example, school governors or hospital trust non-executive directors) to promote and celebrate innovative and best practice actions.

Monitoring and compliance with standards

Whilst the GBSF are recognised as a positive approach to public sector food procurement, there is little evidence to show the true influence of the framework and the scale of benefits to society. As we have touched on, there has been no routine monitoring of uptake, or assessment on how effectively they are being implemented, since their introduction in 2011. This lack of evidence also makes it harder to see where the GBSF have not been adopted, and to address the reasons behind that.

In addition, it is important long term that government remains ambitious and strives for continual improvement in public procurement. Without evidence on what public sector organisations buy, serve and waste, it is harder to assess and monitor the environmental, economic, and social impacts of public sector food and catering.

In particular, we should be proud that British farming is an exemplar of higher animal welfare standards globally; and want to show where better welfare products are being used to help meet consumer expectations and responsible spending of taxpayers' money.

Key to all of these is understanding the baseline on how well England is doing and what better looks like, to build on and improve.

Barriers

Lack of consistency and structure

Businesses who contributed to this review said they find it difficult to evidence compliance with the GBSF. We touched on that earlier, as one of the barriers to uptake. The GBSF are intended to help public sector procurers specify contracts that comply with the standards. In practice, contracts generally include a clause requiring compliance but do not specify how. This places

the burden of compliance on the supplier. It also makes it difficult for procurers to evidence compliance through the contract.

"Very few clients that ask for the GBSF actually ask for evidence. If they do, we provide a commentary against each of the standards." – Contract Caterer to the NHS

Government departments too told us that management of procurement contracts varies across public sector organisations. This makes it difficult to obtain data on what type of food is being procured.

For example, Crown Commercial Services (CCS) said that data is available in pockets, but not gathered centrally within government. The Cabinet Office advised that central teams know the value of procurement contracts but not the detail of what is bought. The Ministry of Defence (MoD) outsources its procurement contracts and therefore does not have direct access to product data. It does require contractors to report on mandatory requirements of the GBSF when MoD asks, but does so ad-hoc and audits are infrequent.

On the other hand, HM Prison and Probation Service (HMPPS) possesses data at product level on UK and SME spend. It reports against the GBSF every 3 months on product range, and where it achieves compliance and where not. Meanwhile, the NHS uses the Premises Assurance Model (PAM) to measure compliance with food standards in every Trust. This helps the NHS understand where Trusts are struggling and what support they need. It also helps measure food waste, as it is estimated that 20% savings could be achieved through improved procedures to reduce food waste.

These differences in implementation, monitoring and reporting make for complexity for businesses. Overarchingly, there is little incentive to adopt or adhere to the GBSF if clients themselves are not monitoring at their end. Where they are, it is difficult to evidence food quality, sustainability, and food waste amongst other key aspects of the GBSF. It could be particularly disadvantageous to smaller businesses, who do not have the systems, money or time to navigate multiple different requirements or produce complex reports where required.

Recommendations

6. Government should develop metrics to assess compliance with the GBSF

Government should develop a set of clear metrics against the standards within the GBSF to make it easier for organisations to see if they are succeeding in implementing the GBSF and achieving its goals. Demonstrating that these standards are met will increase confidence in public procurement and its ability to deliver value of money to the tax payer.

7. Government should undertake a mapping exercise to gather baseline data.

Government should undertake a mapping exercise within 6 months using one contract as a case study to understand the scale of data collection across all procurement contracts. This should be the start of a government commitment to understand what is purchased by the public sector and would form the basis of any future data monitoring and reporting proposals (see recommendations 9 and 10).

Timing: within 6 months.

8. Identify data requirements for organisations

Government should identify what data is routinely needed to improve evidence for and understanding of uptake and impact of the GBSF. This will inform the metrics for meeting each mandatory standard as well as going above and beyond (see recommendation 6). In doing so, government should consider the administrative burden on organisations and businesses and only collect what is necessary, providing supporting rationale so it is clear why collecting and reporting on this data is beneficial.

Timing: within 6 months.

9. Introduce centralised data monitoring and reporting

Building on the baselining exercise and assessment of useful data to collect, government should introduce routine centralised data monitoring and reporting. This should include reporting on the metrics against each standard.

Timing: within 2 years.

10. Building strong reporting mechanisms

To support the collation of data, government should develop clear and navigable reporting structures. The network of ambassadors/champions at recommendation 5 should also provide annual updates on metrics and their wider achievements to their governing body or trust board. Organisations would then be responsible for reporting to government (see recommendation 8)

Making public sector food procurement systems more accessible for SMEs, farmers and growers.

Public procurers can benefit from sourcing food from a range of sources. Sometimes large contractors are necessary and the most appropriate. At other times, other sources such as SMEs and farmers are better placed to provide value for money and support delivery against the GBSF. Public sector food procurers should be enabled to look to use the most appropriate source to deliver outcomes expected through the GBSF.

SMEs and farmers too can benefit from the option to supply direct to public food procurers. Public food procurement can provide a larger and more reliable source of income than selling to other customers. Having a more reliable market with an interest in higher environmental standards may also encourage going beyond mandated environmental standards, as this case study below on the Brazilian National School Feeding Programme demonstrates.

Case study 1: The Brazilian National School Feeding Program

The Brazilian National School Feeding Program in 2009 made it mandatory for public schools to use at least 30% of their spend on food to purchase directly from family farmers. (Family Farms represent 23% of the total farmed area in Brazil)¹.

Participants in this scheme perceive it as having a positive impact on access to stable markets, income, and their autonomy from commodity markets.

Surveys of Brazilian farmers involved in the scheme suggest it “played a direct role in farmers’ decisions to shift their households’ primary economic focus from low agrobiodiversity, input-intensive farming systems to more diversified, low external input systems.

Helping SMEs better engage with procurement processes

Barriers

Engagement with business support services for SMEs has indicated that a key barrier for SMEs in accessing public sector procurement opportunities is a lack of understanding on how they can supply to the public sector. SMEs often do not know where to find information about contracts, and need support to navigate complex tendering processes. SMEs are often time-constrained and therefore have limited capacity to research these opportunities. They also find it difficult to find out about contracts as they are not all hosted on the same portal. For example, Contracts Finder on gov.uk enables searches for current and future contract opportunities and details of previous tenders and contracts.

The organisations we spoke to generally agreed that government should provide a support service for SMEs to help them access public sector contracts. They had some positive feedback on the current support that government offers. However, they thought it needed more resource to help guide businesses through the process. One organisation also thought that there should be better training for procurers and caterers on how to reach SMEs and farmers.

Recommendation:

11. Create a government support service for SMEs, farmers, and public sector caterers and procurers

Government should create a support service to help SMEs and farmers navigate and access public sector procurement contracts. This should include support on both the buyer and supplier side. It should include advice and guidance for SMEs and farmers, but also public sector caterers and procurers on how to access these groups. It should also link up public sector caterers and procurers, SMEs and farmers through meet the buyer events.

This service should be delivered by a branded, properly resourced team in Defra similar to the Department for Business and Trade’s support on exporting.

Timing: within 6 months.

¹ de Souza, S., et al. (2023) [Food Purchase from Family Farming in Public Institutions in the Northeast of Brazil: A Tool to Reach Sustainable Development Goals.](#)

Promoting best practice in procurement processes

Barriers

Public food procurement processes often require bids to provide very large quantity, aggregated food services from raw food provision to catering over a number of years. They might even be combined with other service provision such as cleaning and transport. This approach is often taken to reduce procurement administration costs for buyers, as only one contract needs to be established and managed.

SMEs, farmers and growers are very unlikely to be in a position to offer such a range of services at such scale. Furthermore, even if they can meet the demands set out, they may not have the capacity to bid into procurement exercises for such complex contracts. Even if procurement processes are simplified so that, for instance, only one product type is being procured - such as dairy goods or fruit and vegetables - SMEs, farmers and growers may find it very difficult to commit to consistently meet the demands in terms of quantity and levels of service.

Evidence suggests that contract design can enable SMEs, local or other suppliers, in addition to large facilities management providers, greater access to public procurement processes. This can be achieved through dividing procurement contracts into smaller, more manageable parts, at levels of service that are practical for smaller organisations to meet. Example of such strategies have been demonstrated in Scotland and Sweden where smaller contract “lots” were more likely to be met by local suppliers.

Dynamic Purchasing Systems (DPS) can also help mitigate these barriers, particularly for farmers and growers. DPS allows suppliers to bid to provide what they are able to, for instance in terms of quantity and seasonality if that is relevant. They also tend to provide more flexible processes for adding suppliers to the procurement framework at any time rather than having a fixed deadline. This is beneficial for SMEs as, unlike larger businesses, they are unlikely to have the resource to monitor deadlines for applying for different frameworks and so could miss out on these opportunities. This type of system was successfully piloted in Bath and North East Somerset (see case study below). However, currently DPS requires buy-in and investment at a local level. Due to financial constraints, many councils have not been able to invest in establishing new systems.

The Crown Commercial Services (CCS) has developed a new procurement platform which has learnt from the Bath and NE Somerset pilot and will itself be piloted for two years, launching later in 2024. It provides the potential to increase the flexibility of access for SMEs and farmers without procurers having to invest in their own bespoke systems. The CCS framework is free for all public sector organisations to use, including universities, schools, care homes, fire service, and local authorities. It is funded by a 0.25% levy to suppliers, which is likely to be factored into the costs of food supplies (see case study).

Some stakeholders have called on the government to commit to a percentage target of specifically British food to be supplied into the public sector. We agree that fresh, local and sustainable food should be available on our public sector menus, and British farmers and food businesses should be able to access the procurement supply chain more easily. When we explored the possibility of targets, however, we found two challenges. First, that there is no solid baseline data to provide a basis for targets. Second, that we must meet our domestic and international legal obligations, in particular the non-discrimination principle in the World Trade Organisation (WTO) Government Procurement Agreement (GPA) and the Public Contracts Regulations 2015 (PCR). The PCR already allows contracts below certain spending thresholds to be reserved for smaller UK suppliers. This presents a real opportunity for SMEs and public procurement.

Case study 2: The Bath and North East Somerset (B&NES) dynamic procurement system pilot²

The contract was for the provision of fresh meat, fruit and vegetables into schools, some nursery schools and a meals on wheels service within B&NES. Meals at the schools were cooked and provided by the local authority's Catering Service and cooked fresh on a daily basis. Over 7,000 meals were cooked daily.

A Dynamic Procurement System (DPS) was used. It is similar to a framework contract with multiple suppliers but, unlike a framework contract, it allows for new suppliers to join at any time, provided they meet the established selection criteria. Suppliers were also not expected or required to fulfil the total value of the contract but only what they were able to produce, when and how they see fit.

Once on the DPS, suppliers participated in mini-competitions on the products they wished to tender for. This enabled large and small suppliers to compete alongside one another in a marketplace. It meant small producers that, for example, only sought to supply one product, could tender without being obliged to supply the whole lot.

Once the contracts were in place, the school cooks and chefs ordered directly via the online platform with one order, rather than placing orders with individual suppliers. In turn, they received one consolidated delivery, again rather than different deliveries from multiple suppliers.

The contract realised 6% savings on the previous contract. This was achieved through a variety of means such as better management information and menu changes, and at no time were unrealistic or unprofitable prices demanded from the suppliers.

² Dynamic Food Procurement National Advisory Board, 2021, [Case Study for the Provision of School Food in Bath & North East Somerset](#)

Case study 3: Crown Commercial Services Buying Better Food and Drink framework

The new Buying Better Food and Drink framework aims to provide a simplified, compliant route to market for any public sector buyers to purchase quality food, with increased transparency, digitalisation, social impact, and Small, Medium Enterprises (SME) inclusion of the supply chain. The framework will provide a number of key innovations:

- enhanced sustainability and efficiency by incorporating dynamic procurement practices to foster diversity in the food chain, and encouraging SME participation;
- supporting unprecedented food-purchasing decision-making, so buyers see the wider impact of their purchases, by offering traceability of environmental impacts of purchases, combining farm data with product spend information using Agile Chain;
- recommendations to improve producer sustainability; and
- onboarding of new suppliers throughout the life of the contract, from identification through an existing distributor network, or, by including Buyer Unique Lines* (BUL).

The provision of a BUL mechanism allows buyers to nominate up to 5 lines to be supplied through the framework and will improve compliance with procurement policies and assured food safety. This encourages buyers to continue to engage with local SME producers and allows incremental inclusion of farmers and growers over time.

Agile Chain technology also streamlines ordering and communication between producers, distributors and buyers. By implementing a dynamic procurement system, the project facilitates the sourcing of food and drink from local producers and SMEs, effectively shortening the supply chain.

It also provides transparency on producer sustainability metrics, to allow buyers to make easy, informed procurement choices at the point of purchase, optimising supply chain logistics, value and promoting the use of seasonal produce.

The framework is free for all buyers to use. This innovative food procurement framework will be continually evaluated to inform further iterations.

**Buyer Unique Lines (BUL) are items currently procured by buyers from producers directly either for their location, product provenance or ongoing supplier relationship. Prices are agreed directly with the producer and can be delivered directly or consolidated by the distributor.*

The School Fruit and Vegetable Scheme

The School Fruit and Vegetable Scheme, which is already funded by Government and supplies 16,000 schools for 4-7 year olds, could also provide an opportunity to provide greater access for farmers and SMEs into public food procurement. Particularly in the light of developments in procurement best practice as highlighted above.

12. Improve accessibility to the public sector supply chain for SMEs and Farmers

Government should improve accessibility to the public sector supply chain for SMEs and farmers, enabling purchasers to go to the most appropriate source, and supporting British business.

To do this, Government should encourage public sector food procurers to use procurement systems that provide the flexibility for SMEs and farmers to directly bid into public procurement processes. Government should do this as soon as practicable. Government should highlight best practice examples, such as the Crown Commercial Services platform, and promote further innovation in procurement systems to facilitate SME and farmer access.

As SMEs and farmers also have less resource to dedicate to locating contracts online, government should also mandate that all contracts are published on Contracts Finder.

13. Review schools' fruit and veg scheme

Government should review the procurement approach taken by the Schools Fruit & Veg scheme to ensure it is using best practice to maximise access for SMEs and farmers.

14. Setting targets for spend on SME and farmers

Government should set targets for spend on SMEs and farmers where appropriate. Government should strategically assess where targets will add the most value and make these sector-specific.

Supporting practical access to public procurement

Barriers

Even where public sector organisations such as schools and hospitals make their food procurement systems more accessible to farmers and growers, there are likely to remain many practical barriers to successfully supplying those organisations.

Farmers and growers may lack skills, local processing capacity, logistics and infrastructure to provide the products that organisations demand in the state they require. For example, they are likely to demand fruit and vegetables which many farmers do not grow.

Where growers and some farmers are able to supply fruit and vegetables, many organisations may not have kitchen facilities to cook raw ingredients from scratch, which may be required for many vegetables.

Milk is probably the most practicable item for farmers to supply. Even then, if the supply is into schools, dairy farmers face the challenge of finding other customers during school holidays.

For farmer and growers to change from supplying the private sector to supplying the public sector is likely to be a big step. They will need to be certain that such a move will ultimately benefit them to make this journey.

In short, providing for procurement systems with the potential for direct procurement from farmers/growers may not by itself significantly change the amounts of food supplied, without also addressing the practical barriers faced by farmers and growers seeking to supply food to public organisations.

“If we want to increase opportunities for farmers and SMEs to be involved in public procurement, we need national investment in systems. We cannot leave this to Councils” – Food and Farming Charity

Some projects are starting up, to build the relationships and collaborations between food procurers, growers, farmers and wholesalers which are needed to overcome these barriers and gradually build up the range and quantity of products supplied. These are often supported by local Non-Government Organisations (NGOs) and include grant support for any infrastructure required. They are beginning to show some success but remain very limited in scope and geographical coverage. Some of these projects are illustrated in the case studies below.

Case study 4: Welsh Veg in Schools³

Wales has a programme called Welsh Veg in Schools led by Food Sense Wales that is coordinating efforts to increase local food procurement of vegetables in schools. Only 6% of fruit and veg currently supplied into public procurement in Wales is from Wales. They have estimated that if all fruit and vegetable supplies for primary schools came from local growers and farmers, this would provide about £15m of added value from 296 hectares, creating about one thousand jobs.

They started with a pilot supplying courgettes to primary schools and have expanded to 6 growers and 2 farmers supplying 5 local authorities with a range of vegetables agreed between the schools and growers as practical, acceptable to school children's tastes and economical to supply. Growers and farmers are motivated by potential steady demand, particularly during the Autumn when other sources of demand, particularly from tourists can reduce. They see this pilot further expanding in future.

The key challenges they have faced include logistics; ensuring a steady supply; helping local growers and farmers meet food safety standards; and securing buy-in from schools, farmers and growers. They require organic certification and are working closely with a wholesaler on distribution, who has been very supportive of this project. The wholesaler has provided a range of support to growers including small grants.

The scheme is subsidised, by the Welsh Government, to cover the difference between the cost of organic and non-organic supply, and growers have been provided with free training to meet required safety standards for school food. The project has also benefited from invaluable support and training from Welsh programmes, such as Farming Connect Horticulture. Food Partnerships also help connect local stakeholders.

Food Sense Wales believes there is potential to expand the project to supply hospitals and other institutions in the future including supplying healthy multi-portion meals using surplus vegetables. It is estimated that only a 1/4 of a fruit and vegetable portion per head of population is currently being grown using 0.1% of land in Wales while 2% of land could grow 5 portions a day for the whole Welsh population. Over 7% of land in Wales is considered suitable for fruit and vegetable growing.

³ This is sourced from Amber Wheeler, 2023, [Courgette Pilot](#), Food Sense Wales and further information supplied by Amber Wheeler who co-ordinates this programme for Food Sense Wales with other partners including the wholesaler Castell Howell and Farming Connect Horticulture.

Case study 5: OxFarmtoFork⁴

Good Food Oxfordshire is developing a local food procurement program initially with Oxford University colleges buying direct from local producers, but they are looking to expand to schools and hospitals if they can expand supply.

They started small with a WhatsApp group and spreadsheet connecting 5-6 growers to 10 Oxford college buyers. Now they have 10 suppliers providing fresh produce like herbs and vegetables from agroecological growers to 18 colleges with a 40-week minimum committed spend. At the moment this is focused on high value vegetables as local suppliers cannot compete on price with potatoes, carrots, onions etc, and college chefs are interested in high quality fresh local vegetables. The logistics is handled by e-delivery with electric vans and cargo bikes for zero emission last mile delivery.

Their goal is equitable access to sustainable food, but they have started working with colleges as they are flexible and open to change. They recognise that college kitchens have much greater resources and flexibility than many other public catering institutions but working with them provides a good opportunity to develop their processes.

They are currently working with smaller growers but are looking for suppliers with field scale production who also take agroecological approaches. Most of the land in Oxfordshire produces grain for international commodity markets so this would require a substantial change. They have some interest and consider that demonstrating greater market certainty could lead larger farmers and growers to shift their production and route to market.

There is also research underway to explore how to create an increased locally-grown supply of beans into schools (see case study below). Farmers could potentially replace field beans grown for livestock in arable rotations with beans grown for human consumption. These are worth approximately four times as much to the farmer. If all approximately 200,000 tonnes of field beans grown in the UK was replaced with edible beans, this could add about £70m of value to UK farmers.

⁴ This is based on an interview with Fiona Steel, manager of Good Food Oxfordshire.

Case study 6: BeanMeals

This Oxford University-led research project is exploring how to promote a healthier diet which has a lower environmental impact and also enhances local and national enterprise. It is exploring the potential of meals made from two quick-cooking navy bean varieties and how to develop both demand and supply in tandem. It has been testing the acceptability of bean-based meals with school children as well as analysing the barriers to developing supply. These bean varieties, Capulet and Godiva, have recently been developed for UK growing conditions by the University of Warwick. They are suitable for a wide range of easily prepared institutional and home-cooked meals with lower fat, salt and sugar content but as yet are only grown on a small scale.

The environmental benefits of increased production and consumption of UK bean-based meals include:

- Reduced fertilizer demand on subsequent crops: beans are a N-fixing rotation crop, leading to reduced GHG related to fertilizer manufacture, and reduced N₂O emissions and runoff from agriculture;
- Reduced water and energy use from more efficient processing – the beans cook quickly; and
- Reduced transport emissions from more local supply chains and lower importation of dry beans.

Bean production could replace cover crops, such as field beans, in rotations to provide farmers with a sellable crop instead of cover crops that are either fed to livestock or tilled in. There is minimal infrastructure needed such as washing, sorting and storing. It requires some equipment such as a special combine harvester cutting extension but that could be shared by farmers.

Recommendation

15. Grant funding for local collaborations

Government should provide £1-2 million of grant funding to facilitate local collaborations between farmers/growers and procurers. This could cover costs for the infrastructure and training needed to create new local supply chains.

Defra should run a regional pilot or seek bids from NGOs with existing collaborations to help them get to the next level, share learning and encourage other collaborations to develop.

Funding

Underpinning all of the above recommendations is the ability for public sector organisations to be able to afford it, otherwise little will change. Buying food that meets the GBSF could increase costs at a time when the public sector is both operating within funding constraints and dealing with food inflation and other cost of living increases.

In schools, for example, if the free school meal allowance set in 2014 had kept up with inflation, it would be over £3.00 rather than the current £2.53. According to one prominent schools

procurement manager, the current allocation for school meals does not cover the cost of a meal, due to rising food costs. Another reported that staff costs within schools have increased from 40% to 60% of school budgets, with knock-on effects on the quality of meals schools can afford. A wholesale supplier has observed schools lowering the quality of the food they procure due to funding constraints and rising costs. In addition, there is evidence that where schools are accredited for Food for Life Served Here – through its gold, silver and bronze accreditation - they are reducing their ambition to lower levels of the scheme.

“Lack of ring fencing is a real issue for school meals funding. There is also a lack of understanding at school level about the level of funding available for school food. Many schools have said they don’t see the full amount of funding.” School Co-operative

The issue of increasing funding for school meals and ensuring that budgets are ring-fenced was mentioned throughout our engagement with stakeholders. Funding, inflation and lack of ring-fencing are having an impact on the quality of food served in schools. Increased funding and ring-fencing would allow schools to continue to prioritise food standards.

Recommendations:

16. Increasing school meal allowance

Government should increase the free school meal allowance to reflect inflationary pressures, and in recognition of the potential expansion of the GBSF across all public sector settings, and to support future take-up of FFLSH (see recommendations 1 and 3).

17. Ring fencing food budgets in schools

Government should seek to ringfence food budgets in schools.