

Sustainable food procurement in the NHS

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Sustainable
Development Commission

Sustainable food procurement in the NHS - Summary	3
Part 1: Introduction	5
Sustainable food procurement in the NHS	5
Health and sustainable development	5
Part 2: What is sustainable food procurement?	6
<i>Table 1: Summary of sustainable development impacts throughout the food chain</i>	6
Local food	6
Achieving a balance	7
<i>Box 1: Menu of objectives for sustainable food procurement</i>	7
Part 3: Food procurement in the NHS	9
Potential influence of the NHS	9
NHS Purchasing & Supply Agency	9
National Contracts	10
<i>Box 2: Principles of Integrated Farm Management systems</i>	10
Market for Food in the NHS	10
<i>Box 3: Survey of procurement by NHS Trusts</i>	10
<i>Box 4: Case study from large district general hospital</i>	11
<i>Box 5: Methods of food production within hospitals</i>	11
<i>Box 6: Methods of food service to hospital patients</i>	11
Food Waste in the NHS	12
Other waste	12
Part 4: Barriers and opportunities	13
<i>Box 7: Summary of barriers to sustainable food procurement</i>	13
Policy issues	13
Operational issues	14
<i>Box 8: Hospital food waste – good practice example</i>	14
Contract issues	15
<i>Box 9: Opportunities for Local Procurement of Food</i>	15
Sharing good practice	16
Part 5: Summary of recommendations	17
Government and NHS at national level:	17
NHS Trusts:	18
Annex 1:	19

Sustainable food procurement in the NHS - Summary

This is an interim report outlining the key findings of the Sustainable Development Commission's work on sustainable food procurement to date. Our initial work has focused on procurement by the National Health Service (NHS), but we draw out issues of concern and recommend a number of actions, which are relevant to other public bodies, including local authorities and government departments, and even private companies

What is sustainable food procurement?

Impacts upon the economy, environment, society and on health arise at every point along the food chain. The central challenge of sustainable development is to balance different needs and interests to achieve the best possible results in the medium and long term. We have outlined a menu of aims for sustainable food procurement – but these aims can sometimes conflict. Public bodies should prioritise these different aims according to their own core aims. For the NHS, this means policies that promote health.

Recommendations

Government and NHS at national level:

- In the NHS, procurement policies should promote health. Trusts should be required to procure food in a way that impacts positively on long term health outcomes
- The impetus for sustainable procurement will have to come from the Department of Health, Strategic Health Authorities and Primary Care Trusts specifying that sustainable development must be taken into account when commissioning services
- The Office of Government Commerce should develop its own sustainable procurement policy, and promote it to the NHS, local authorities and all public sector purchasers
- A multi-disciplinary working party involving all key stakeholders should be established to formulate a sustainable food procurement policy for the NHS
- The Government should develop a policy framework aimed at limiting unnecessary and high carbon-emitting transport of food
- Office of Government Commerce should issue user-friendly advice on sustainable development issues in procurement to NHS Trusts and all other public purchasing bodies. This could draw together the issues and make clear what can and cannot be done to promote sustainable development through procurement under current EU law, including “food miles” and local food issues, and using casestudies to highlight opportunities
- DEFRA should explore possible solutions that allow composting of food waste on an industrial scale, with appropriate safeguards
- PASA should continue to use the “patchwork” model for contracts, and ensure that NHS Trusts and smaller suppliers are aware of it. Other public bodies should use the two alternative models described above to ensure that smaller suppliers are not excluded from national contracts
- Trusts should ensure that the detailed specification in their contracts are not unnecessarily encouraging long distance transport of food or disadvantaging smaller suppliers
- PASA should help potential suppliers to understand the tendering process and what is required for a successful bid. This might involve working proactively with local suppliers, and providing some information or training on the requirements of the tendering process

- Procurement professionals in NHS Trusts should be given guidance on how to go about their purchasing so as to promote sustainability
- Efforts should be made to raise the profile of sustainability with NHS Trust staff, with regard to procurement of food and other goods. For example, this could be done at a Hospital Caterers Association or NHS Confederation conference
- Issues could be explored further through pilot schemes, working with Trusts and suppliers. This could be done on a Trust basis or a product basis. It could also involve comparisons with other European countries – possible European funding for such a project should be explored
- A network for sustainable procurement should be established for procurement professionals in the NHS to share information and experiences regarding sustainable procurement.

NHS Trusts:

- Procurement professionals should be aware of sustainable development issues in relation to procurement, and should look for opportunities to pursue more sustainable options
- Trusts should make efforts to reduce waste, including through waste prevention. Research is needed on whether provision of meals in pre-prepared cook-chill trays generates more waste than having food prepared on site
- Trusts should consider ending subsidies on unhealthy foods and subsidising healthy foods more heavily in order to improve the health of staff
- Trusts should ensure that the detailed specification in their contracts are not unnecessarily encouraging long distance transport of food or disadvantaging smaller suppliers
- Trusts should help potential suppliers to understand the tendering process and what is required for a successful bid. This might involve working proactively with local suppliers, and providing some information or training on the requirements of the tendering process
- A network for sustainable procurement should be established for procurement professionals in the NHS to share information and experiences regarding sustainable procurement.

Part 1: Introduction

Sustainable food procurement in the NHS

This interim report outlines the key findings to date of the Sustainable Development Commission's work on sustainable food procurement. Our initial work has focused on procurement by the National Health Service (NHS), and we are therefore particularly interested in highlighting the links between health and sustainable development, and exploring the health impacts of procurement.

Although our initial focus has been upon the NHS, we draw out issues of concern and recommend a number of actions, which are relevant to other public bodies, including local authorities and government departments, and even private companies. In later work, we hope to look at procurement issues at other points on the food chain, with contractors and producers.

Health and sustainable development

Sustainable development requires the integration of economic, environmental and social outcomes into all policy making and operational decisions. We believe that this should include the procurement of food and other supplies.

For the NHS, food procurement has the potential to be a particularly powerful tool to deliver sustainable development because:

- the large scale of its purchasing means the NHS can send powerful messages back up the food chain to wholesalers and producers;
- the food it serves has direct and indirect impacts on population health, a key target for NHS policies; and
- because many NHS staff buy meals on site – the NHS can encourage a fitter, healthier workforce which will help it achieve its operational targets.

Health and sustainable development are closely connected. At a macro-economic level, ill-health costs to the UK economy are significant, in terms of treatment costs, sick leave from work and loss of productivity.

There are well documented links between a range of unsustainable activities and specific health problems (such as childhood asthma caused by vehicle traffic, or the dioxins emitted by waste incinerators). More generally, individual health is very closely linked to community well-being. For the individual, ill health can mean loss of employment, social exclusion and lower quality of life. Conversely, loss of employment, social exclusion and lack of opportunities can lead to ill health.

More directly, there are sustainability concerns arising from food production itself. Media coverage of issues such as BSE, foot and mouth, use of genetically modified organisms (GMOs), antibiotic treatment of farm animals and pesticide residues in food, has raised awareness of the impacts of food production systems upon our health. The public are becoming increasingly concerned about how food is produced and what has happened on its route from farm to fork.

This analysis suggests that, in going about its business, the NHS could contribute to the achievement of its own objectives by adopting food purchasing policies which are more likely to lead to sustainable outcomes, such as supporting food production systems with lower environmental impacts, supporting local regeneration initiatives in deprived areas, minimising waste and reducing food miles. Many of these findings will also be relevant to purchasing of food by other public bodies.

Part 2: What is sustainable food procurement?

The issues involved in developing a healthy, sustainable food procurement policy for the NHS are complex and sometimes contradictory. It is important that they are carefully considered so that synergies can be identified and trade-offs made to achieve optimal results. Impacts upon the economy, environment, society and on health arise at every point along the food chain, as summarised in the table below.

Table 1: Summary of sustainable development impacts throughout the food chain

Stage	Economic	Environmental	Social	Health
<i>Production</i>	Farming accounts for 1 per cent of GDP. ¹ Food export important for many less developed countries. Traditional landscapes created by farming important for tourism. Externalities – e.g. cost to water companies of removing nitrates from drinking water.	Soil degradation, air and water pollution, climate change emissions, biodiversity impacts. Much energy used in creating fertilisers. Farming creates the traditional landscapes of the UK.	Regional character and local distinctiveness. Importance of farming related employment to some rural communities. Animal welfare considerations.	Exposure of workers to pesticides. Use of antibiotics leading to resistance. Positive indirect health impacts associated with employment.
<i>Processing</i>	Major industry in the UK.	Waste created. Water use and waste water. Energy use.	Potential source of employment in deprived areas.	Positive health impacts associated with employment.
<i>Transport</i>	Makes up 40 per cent of UK road freight – hence very important to haulage business.	Emissions leading to climate change. Food wasted during transportation.	Noise pollution. Impact of traffic upon communities. Employment.	Possible nutrient loss due to long distance transport. Air pollution and road accidents.
<i>Consumption</i>	Cost to consumer. Waste.	Food waste. Energy used to cook, chill or freeze.	Food important for local/cultural identity. Employment of caterers.	Health impacts of diet.

Source: Sustainable Development Commission

Local food

Local food has recently become a major issue, with some seeing it as perfectly in tune with the principles of sustainable development. There is a range of opinion on what local food means, and no clear definition of the word 'local'. It can mean food that is grown, processed and sold locally; food that is characteristic of a locality or region; or food that comes from the UK rather than from abroad. The 'proximity principle' is sometimes referred to, which means consuming food at the nearest possible point to production.

The potential benefits of local food include:

- reconnecting consumers and producers, leading to greater understanding of food and farming
- reduced transport, and hence reduced environmental impacts
- strengthening the local economy
- strengthening community ties and community identity
- preserving local culture
- reducing need for preservatives and additives – as food does not need to last so long
- educating people about the links between food and the conditions needed to produce it.

However, there are also negative impacts associated with local food procurement. These include:

- loss of income to less developed countries
- loss of income to other areas in the UK specialising in particular types of farming
- less varied supply of food, limited to UK seasons
- less reliable food supply.

EC procurement legislation aims to ensure fair competition between suppliers in the EU, and would not permit discrimination against overseas suppliers on the basis of reducing food miles. The Sustainable Development Commission is particularly interested in the potential for changing food distribution systems so as to reduce greenhouse gas emissions from transport.ⁱⁱ Local food issues are considered further in part 4 below.

Achieving a balance

The central challenge of sustainable development is to balance different needs and interests to achieve the best possible results in the medium and long term for the economy, for society and for the environment. Box 1 below outlines some of the possible aims of a sustainable food procurement policy – some of these conflict, while others are mutually supporting. The following section seeks to identify the most difficult tensions that will need to be explicitly addressed, and synergies that should be built upon.

Box 1: Menu of objectives for sustainable food procurement

Economic aims

- Secure value for money
- Reduce waste
- Reduce energy use
- Encourage new markets for sustainable foods
- Contribute to healthy local economies
- Contribute to global economic development.

Environmental aims

- Reduce degradation of natural resources by adopting cleaner processes and technologies
- Reduce energy input
- Protect or enhance natural resources and biodiversity
- Reduce waste (food and packaging)
- Reduce water use
- Reduce packaging.

Social aims

- Raise awareness of the benefits of healthy foods
- Increasing access to and availability of healthy food – particularly for lower income groups
- Strengthen communities
- Contribute to global food security for all
- Aim to reduce inequalities
- Meet the needs of the local community – including employment
- Aim to have stakeholder involvement and input at all stages – both bottom up and top down approach, with inclusivity at all stages
- Improve animal welfare
- Rekindle the notion of the value of good food – i.e. food produced with regard for the environment and animal welfare, healthy food.

Health aims

- Improve nutrition
- Maintain or improve food safety & quality
- Protect consumers from negative impacts of pesticides – cocktail effects
- Reduce use of antibiotics in livestock

- Reduce use of additives in prepared meals (artificial flavourings, preservatives etc.)
- Reduced levels of saturated fat, salt, sugar etc in pre-prepared ready meals and convenience foods
- Positively influence the diets of staff and customers.

Tensions to be resolved

Cost: if food is not valued for its influence on health or sustainable development, and if the NHS itself does not attach any significant value to health or sustainability, then choosing to buy the food that is cheapest will be irresistible. Whole-life costing (which includes the indirect effects) can often demonstrate value for money in broader terms. However, given the acute short term financial pressures that afflict most NHS Trusts, they are likely to be deterred by the costs associated with a more sustainable food procurement policy. Cost may militate against purchasing food that meets higher environmental, nutritional or animal welfare standards.

Local sourcing vs. supporting disadvantaged areas: arguments for sourcing food locally are explored in more detail above, and include reducing transport and stimulating local economies. However, an explicit decision needs to be taken on how this should be weighed against supporting the economies of less developed countries or disadvantaged areas in the UK. For example, hill sheep farmers in Cumbria or potato growers in Lincolnshire could be disadvantaged if local sourcing encouraged these products to be farmed in other parts of the country.

Reducing 'food miles' vs. dependable supply: purchasing more food locally could mean greater seasonality in menus, serving fruit and vegetables that are in season in the UK. Some see this as positive, improving people's understanding of food production. However, balanced against this is the need to have a dependable supply of healthy foods all year round. This will affect the degree to which local sourcing is possible.

'Good' food vs. popular food: there is nothing to be gained in developing a healthy and sustainable approach to food procurement in the NHS if patients, staff and visitors don't like the meals they are offered and refuse to eat them. Changes must be carefully negotiated with service users, including staff, so that they are sensitive to cultural preferences and build on an understanding of how eating habits can be altered over time.

Synergies

While there are many unresolved conflicts of interests, outlined above, there are also opportunities for mutual benefit. For example:

Reducing waste: cutting waste saves money. Reducing food thrown away and cutting costs of disposal of packaging to landfill are beneficial both environmentally and economically.

Contributing to regeneration: if food procurement can contribute to regeneration, by creating employment in areas of need, this can improve the health of the population in the long term – meaning cost savings for hospitals.

Contributing to the healing environment: nourishing meals can help patients recover and minimise time spent in hospital, freeing up beds and reducing pressures on NHS waiting times.

Healthy staff: if food provided to staff is attractive and nutritious, there will be long term benefits in the form of reduced sick absence. This could be particularly important for low paid staff, who may have less access to a healthy diet.

Part 3: Food procurement in the NHS

Potential influence of the NHS

... as a food purchaser

The NHS is a major purchaser in the UK, providing over 300 million meals a year in 1200 hospitals at a cost of £500 million.ⁱⁱⁱ This includes patient meals, staff meals, hospital visitor meals and function catering. Providing a service for patients may account for less than half the activity of a hospital catering department, as most hospitals also provide food for staff and visitors. These activities are often revenue generating and may subsidise the patient meal service.^{iv} The NHS has an opportunity to act as a role model for other public sector bodies by carrying out its food procurement practices in line with sustainable development principles.

The NHS food shopping list includes:

- 55,000 gallons of orange juice (250,000 litres)
- 12.3 million loaves of bread
- 108 million pints of milk (62 million litres)
- 2.5 million pounds of butter (1.1 million kg)
- 1.3 million chicken legs
- 29.8 million pounds of potatoes (13.5 million kg)^v

... as an employer

The NHS is the largest employer in the country, with over one million people employed in NHS hospital and community health services in September 2001.^{vi} This includes both full and part time positions. Surveys show that a significant number of employees may fall into the low income category, approximately 45% of NHS employees have a basic salary of less than £15,000 and approximately 14% have a basic salary of less than £10,000.^{vii}

As an employer, the NHS has a duty of care towards its staff and their well-being. Income is a major contributor to inequalities of all kinds. The National Food Survey^{viii} showed that people from low income families had, on average, far less healthy diets than their higher income counterparts. The availability of healthy food options in the workplace could go some way to address this inequality. However, research by Fougier *et al* demonstrates that the lack of availability of healthy foods within NHS acute trusts is a significant barrier to healthy eating by nurses.^{ix} This was particularly so for staff on evening or night shifts. A lack of variety was also cited as an obstacle to healthy eating particularly in relation to sandwich fillings and salad options.

... as a provider of food for patients and visitors

The provision of food to patients is viewed as an essential care activity. The Audit Commission review of hospital catering reported studies that have shown up to 40% of adults are either admitted to hospital with malnutrition or become malnourished during their stay.^x Patient stays are too short for hospital food to have a long term impact upon health, but food provided in hospitals is one opportunity for the NHS to promote healthier diets to patients and visitors.

NHS Purchasing & Supply Agency

The NHS Purchasing & Supply Agency (PASA) is an executive agency of the Department of Health. The agency works with around 400 NHS trusts and health authorities and manages 3,000 national purchasing contracts, influencing around half of the £7 billion spent in the NHS on purchasing goods and services in the health service. PASA aims to be the NHS' centre of expertise, knowledge and excellence on matters of purchasing and supply, including green supply, in order to modernise and improve the performance of purchasing and supply in the NHS, for the benefits of patients and the public.^{xi}

Approximately £250 million worth of food is currently purchased through PASA. Although NHS Trusts hold their own budgets and are free to purchase food by whatever route they prefer, all Trusts use PASA to some degree, especially for larger use and high risk products. Contracting through PASA has several distinct advantages to a Trust. Costs may be kept to a minimum as large contracts are negotiated with suppliers, and the obligations under the Food Safety Act 1990 to visit suppliers is transferred from Trusts to PASA. A single contracting organisation for the NHS can also

significantly reduce purchasing process costs in NHS Trusts as all legal tendering requirements are done 'once-only' on behalf of the whole NHS. In addition PASA is accumulating significant expertise and knowledge in purchasing and supply matters for the health service, including procurement legislation.

National Contracts

PASA negotiates framework contracts with a range of different suppliers. Trusts are free to choose from any of the contractors on the framework. PASA contracts are broadly framed, and offer individual Trusts a range of purchasing options. For some goods there may be only one supplier, but other products groups may have more. For example there are currently three frozen vegetable suppliers, ten suppliers for ready meals and fifteen suppliers for fresh fruit.^{xii}

Although environmental criteria are not incorporated into contracts, PASA is working to improve the environmental performance of its suppliers in some respects – for example, encouraging food suppliers to use Integrated Farm (or Crop) Management systems. Box 2 below outlines the main principles of this type of farming.

Box 2: Principles of Integrated Farm Management (IFM) systems

Definition – a whole farm policy providing the basis for efficient and profitable production which is economically viable and environmentally responsible. IFM integrates beneficial natural processes into modern farming practices using advanced technology. It aims to minimise environmental risks while conserving, enhancing and recreating that which is of environmental importance.

Principles

- A commitment to good husbandry and animal welfare
- Efficient soil management and appropriate cultivation techniques
- The use of crop rotation
- Minimum reliance on crop protection chemicals and fertilisers
- Careful choice of seed varieties
- Maintenance of the landscape and rural communities
- Enhancement of wildlife habitats
- A commitment to team spirit based on communication, training and involvement

Source – Linking Environment and Farming (LEAF) www.leafuk.org

Some of the framework agreements for foods specify that all produce sourced in the UK should be sourced from members of the Assured Produce Scheme, using the British Farm Standard logo. If this scheme is extended to Europe and world-wide, contractors will be expected to source from members of these schemes.

Other methods of food procurement used by Trusts are local contracts, i.e. negotiated by an individual Trust or 'spot buys' – typically one-off purchases for special items or ingredients.

Box 3: Survey of procurement by NHS Trusts

Responses from 59 Trusts showed that:

- For 83%, an internal person (catering services manager or supplies procurement manager) was responsible for food purchasing
- 75% purchase some food through local suppliers
- 45% said that some regard was given to sustainability issues

Market for Food in the NHS

The NHS in particular is a major purchaser of food in the UK with over 300 million meals are served each year in approximately 1200 hospitals.^{xiii} Food preparation has undergone several changes within the NHS. Many hospitals have moved away from preparing raw food materials in-house and instead purchase these, or indeed ready made meals from external sources.

Box 4: Case study from large district general hospital

The 'in-house' Catering Department of this hospital supplies 3,000 meals per day, employs 110 staff (full and part time). For the period April 2001 to February 2002 total catering expenditure was £2.1 million (this includes all staff wages, food, energy and non-food items) and is before any income from catering sales. Besides catering for patients the Department provides meals for staff, hospital visitors and functions and hospitality. At £915,000 the bulk of food expenditure is on meals for patients. The 'apparent' cost per patient per day is £2.30. For staff there is a hospital wide subsidy of 15% (of total costs) for meals - food costs are fully recovered so the subsidy goes towards meeting the other costs incurred in providing meals.

In the order of 1000 commodities are used in the production of meals at the hospital. The majority of commodities, 63%, are procured through contracts with the NHS Purchasing and Supply Agency (national and regional contracts with NHS supplies). The remaining 37% are procured through purchasing agreements by the Trust and these are generally for proprietary brand products (e.g. low risk retail items).

Commodities procured through PASA include fruit and vegetables, dry stores, frozen/chilled foods, meat, milk and bread. The range of commodities procured through local (county level) suppliers, not through a national contract, includes cakes (from a local bakery), fish (landed locally) and some proprietary brands.

Priorities when making procurement decisions are first quality, which includes food safety, and second best price.

The department would like to procure more commodities locally. They believe supply and quality problems would be resolved more easily and quickly with a local supplier. But there are significant administrative and legal constraints. Any contracts made off the national contract would have to meet National Audit and competitive tendering requirements; and providers would have to be accredited with supplier assurance/accreditation, such as STS (Support Training Services) certificate or equivalent. The implication is that a switch from centralised to local procurement would entail significant transaction costs.

Source: Interview with the Hospital Catering Manager

The type of food purchased by Trusts depends upon the methods used for meal production and cooking. An increasing number of Trusts (between one third and a half) use pre-prepared meals, which are reheated and served on site. Current spending on these is approximately £60 million in England, and their use is increasing. Some hospitals use this type of service as they have limited kitchen facilities. Box 5 illustrates the various production methods utilised by hospital catering agencies in England and Wales.

Box 5: Methods of food production within hospitals

Cook-serve (60%) – raw materials are prepared and cooked in hospital kitchens

Cook-chill/freeze (30%) – food and meals are prepared in advance, then either chilled or frozen and reheated when required. This is either done in house, or the meals are bought in from a commercial supplier.

A **mix** of the above systems (10%).

Source: Audit Commission, 2001

Once produced, meals are served to patients by the following methods illustrated in Box 6.

Box 6: Methods of food service to hospital patients

- **Bulk service** (37%) – food is placed in bulk in large containers or trays and served on the ward by catering or ward staff. This method allows some flexibility in portion size and choice of food, but can lead to wastage if all portions are not served.
- **Plated service** (35%) – food is individually plated either within the hospital kitchen or bought as a 'cook-chill' or 'cook-freeze' meals. They are then delivered to the wards in a trolley and usually served by a member of the ward housekeeping staff.

- A mix of the above systems (28%) – some wards may use a plated system and some may have a bulk service.

Source: Audit Commission, 2001

Food Waste in the NHS

The Audit Commission estimate that cost for wasted food which arises from “unserved meals” (i.e. meals delivered to the wards but not eaten) is £18 million per annum, an average of £55,000 per Trust.^{xiv} Improving communication between the catering department and the wards would in many cases reduce and control the wastage. However the Hospital Catering Association warn that unless all departments including medical staff actively support a waste reduction policy, the £8 million saving indicated by the Commission’s auditors is unlikely to be achieved.^{xv}

A similar review of catering services in Welsh hospitals has just been published which recommends that Trusts monitor the amount of food waste generated in order to assist in controlling costs. Food wastage in Welsh hospitals was found to vary considerably, at ten hospitals more than 10% of food was wasted and at one hospital more than one in four meals were unserved.^{xvi} See part 4 below for a good practice case study on food waste.

Other waste

The complete food waste stream must also be considered – this will include the packaging in which food is delivered, food spoiled on arrival, preparation waste, unserved meals and food service containers. Guidance on reducing both food waste and general waste has been produced. This includes a good practice compendium on waste minimisation which notes that “a significant amount of work remains in waste prevention.”^{xvii} Purchasing is the first stage in waste prevention; goods can be chosen to generate less waste.

Part 4: Barriers and opportunities

The aim of the NHS is to improve health. We believe that the procurement policies of the NHS should reflect this aim. By promoting sustainable development through its own purchasing policies, the NHS could also promote more positive health outcomes for its workforce, the communities it serves, and the population of the UK more generally. Some sustainable procurement policies could entail significantly increased costs. Where this is the case, the benefits should be quantified so that a proper judgement can be made over whether money should be spent in this way or on other health programmes.

This section analyses a number of specific barriers to more sustainable food procurement policies in the NHS, identified through research with NHS Trusts, and discussions with stakeholders (see Annex 1 for full results). These barriers are discussed along with some specific proposals for how they could be overcome. We divide them into: policy issues, where policy changes are needed to deliver sustainable outcomes; operational issues; contractual issues, including the nature of specifications and supplier relationships; and sharing good practice.

Box 7: Summary of barriers to sustainable food procurement

Suppliers:

Suppliers not engaged with sustainability issues
SMEs lack knowledge of procedures for bidding for public contracts
SMEs see public bodies as slow payers

Within NHS:

Cost
Availability
Lack of awareness of sustainability issues at Trust level
Lack of clear guidance
Lack of knowledge of local supply market
Resource allocation needed to implement new systems, including monitoring local contracts
Too many other priorities
Lack of commitment to sustainable development
Financial standing orders
Purchasing model - seen to favour large suppliers
Risk management issues

At National /EU Level:

Public sector procurement legislation.
Budget limitations works against change
Not yet a requirement
Lack of appreciation of sustainability at national level
Lack of a consensus of a definition of sustainable food supply
The Animal By-Products (Amendment) Order 2001 limits opportunities for food waste composting

Policy issues

Procurement in line with organisational objectives UK Government policy requires procurement to be based on value for money, paying due regard to regularity and propriety. Public procurement should not be used to further aims other than value for money.^{xviii} But the definition of value for money may be too narrow. We believe all organisations should have procurement policies which support their key objectives. In the NHS, this means procurement policies should promote health, and that individual trusts should be required to procure food in a way that impacts positively on long term health outcomes.

Sustainable procurement and health promotion are not statutory requirements for all NHS bodies, and may not therefore be part of their core business objectives. The impetus therefore will have to come from the Department of Health, Strategic Health Authorities and Primary Care Trusts specifying that sustainable development must be taken into account when commissioning services. It must be for the Department of Health to take this forward, because of the links between sustainable development and health improvement, and to promote the government's

wider sustainable development aims.

Promoting a sustainable procurement policy Central government already has environmental policies in procurement, and, through the Sustainable Procurement Group, is beginning to take wider sustainable development issues into consideration. A new sustainable procurement policy would provide an opportunity to educate people about sustainable development and explain why sustainable procurement is important to government. The Office of Government Commerce should develop its own sustainable procurement policy, and promote it to the NHS, local authorities and all public sector purchasers.

A sustainable food procurement policy for the NHS Sustainable development issues are taken into account by NHS PASA and some NHS Trusts. But a sustainable food procurement policy would ensure that the NHS made a greater contribution to sustainable development. A multi-disciplinary working party involving all key stakeholders should be established to formulate a sustainable food procurement policy.

Food miles The increasing long distance transport of food has many negative impacts – it creates air pollution, contributes to climate change and consumes fossil fuels. There are long term and short term health impacts from these activities. But the UK Government does not currently have a policy position on food miles. The Government should develop a policy framework aimed at limiting unnecessary and high carbon-emitting transport of food. The Sustainable Development Commission would like to investigate further what can be done to tackle food miles, in the light of the clarification from the European Commission on considering environmental outcomes as part of the purchasing process.

Guidance EC rules are a barrier to pursuing some more sustainable procurement measures. Guidance has been given by the EC and the UK Government on incorporating environmental concerns in public procurement, and this is reflected in the procurement policies of many organisations including NHS Purchasing and Supply Agency (PASA). The EC has also issued guidance on incorporating social considerations. The Office of Government Commerce should issue user-friendly advice based on this guidance to public purchasing bodies. This could draw together these issues and make clear what can and cannot be done to promote sustainable development through procurement under current EU law, including “food miles” and local food issues, and using case studies to highlight opportunities.

Operational issues

Waste reduction Providing food generates waste, including kitchen waste, unconsumed meals, food service containers and packaging waste, which costs money to dispose of and creates environmental problems. Guidance on reducing food waste and general waste has been produced. This includes a good practice compendium on waste minimisation which notes that “a significant amount of work remains in waste prevention.”^{xix} Purchasing is the first stage in waste prevention; goods can be chosen to generate less waste. Trusts should make efforts to reduce waste, including through waste prevention. Research is needed on whether provision of meals in pre-prepared cook-chill trays generates more waste than having food prepared on site.

Composting Composting of food waste has potential to save money and also reduce waste sent to landfill. Box 8 shows an example from the United States, which illustrates the potential to integrate waste management and food procurement. Unfortunately, such a scheme would not be possible in the UK. Composting is limited in the UK by the Animal By-Products (Amendment) (England) Order 2001 (SI No.1704), with the aim of preventing outbreaks of disease such as foot and mouth. DEFRA should explore possible solutions that limit this risk, whilst allowing composting with appropriate safeguards.

Box 8: Hospital food waste – good practice example

The Medical Centre Hospital (500 bed) of Fletcher Allen Health Care in Vermont, USA, introduced in 1997 a hospital food waste programme (EPA, 1998) which recovers ‘food preparation discards’ and meals not served, but not plated leftovers. This material is delivered to an organic farm where the waste is composted. Hospital kitchen staff were trained in separation of compostable items and in proper handling and storage techniques.

The hospital now sends about 90 tonnes per annum of this food for composting with a saving of \$16 per tonne on transport and landfilling costs. In addition the hospital purchases organic crops wholesale from the farm and a van from the farm visits the hospital once a week allowing staff to purchase organically grown produce.^{xx}

Subsidising healthy food Hospitals already subsidise staff meals using income generated from visitor meals. Trusts should consider ending subsidies on unhealthy foods and subsidising healthy foods more heavily in order to improve the health of staff.

Contract issues

Contract models Local food procurement has many potential benefits to both hospital trusts and the wider community. While EU procurement legislation prohibits regional or local preference for suppliers on a discriminatory basis, some feel that the flexibility which exists even within this regime to provide support for local suppliers is not being exercised to its full potential. We came across two models that show that centralised procurement by public bodies using national contracts need not exclude smaller or local suppliers. The first is based on B and Q's national contract for supply of charcoal to its stores. B and Q has a national level contract with Bioregional, who co-ordinate a network of charcoal burners; each supplies charcoal to stores in their local area.^{xxi} Similarly, smaller growers and producers could supply NHS hospitals or other public bodies as a 'second tier' supplier to one of the larger national contract holders, delivering directly to local hospitals. However, this model could entail additional costs.

The second model is a "patchwork" model, used by PASA for the national contract for supply of fresh fruit and vegetables. When this contract was advertised, suppliers were invited to state which Trusts they would like to service; as a result there are fifteen suppliers based around the country who deliver directly to the hospitals, rather than the goods going through the usual distribution system. These models should be used by other public bodies to ensure that smaller suppliers are not excluded from national contracts.

Box 9: Opportunities for local procurement of food

Local food procurement has the potential to be mutually beneficial to hospital trusts and the wider community (see page 6). However, all purchasing has to be done within the bounds of current public sector procurement legislation, which forbids any regional or local preference for suppliers on a discriminatory basis. There are however opportunities for local procurement within the current framework, as outlined in this section.

Cornwall Healthcare NHS Trust who wish to source more products locally and are working in partnership to develop a local supply network, processing plant, storage facilities and distribution services for NHS meals. They envisage that this will greatly benefit both the local economy and the level of service offered to patients, staff and visitors. At present there is a combined purchasing power of about £1,430,000 for foodstuffs in the 23 hospitals that Cornwall Healthcare Trust serves. About 63% of this is spent out of the county.

The Trust wishes to work in partnership with local producers, suppliers and distributors to develop a comprehensive plan to set up supply networks, processing and storage facilities and distribution services which will benefit both the local economy and the food service offered to patients, staff and visitors to the hospitals.

Specifications Public bodies are permitted to specify their requirements in environmental terms, for example by asking for recycled paper. But a criterion of low food miles would not be permissible under EC rules. There are however some things public bodies can do to tackle these issues. For example, a requirement for vegetables in season in the UK would encourage purchases from the UK, whereas requiring supply of, say, mange tout throughout the year would necessitate purchase from overseas. Public bodies should ensure that the detailed specification in their contracts are not unnecessarily encouraging long distance transport of food or disadvantaging smaller suppliers.

Encouraging smaller and local suppliers Some people interviewed felt that procurement practices were biased against smaller suppliers. Some said that local suppliers lacked knowledge of tendering procedures. Public bodies should help potential suppliers to understand the tendering

process and what is required for a successful bid. This might involve working proactively with local suppliers, and providing some information or training on the requirements of the tendering process.

Guidance Another barrier identified was lack of understanding of sustainable development. Procurement professionals in NHS Trusts should be given guidance on how to go about their purchasing so as to promote sustainability.

Sharing good practice

Our research revealed a gap in knowledge amongst hospital catering staff regarding sustainability as an issue for procurement. The advent of 'best value' as a policy directive provides an opportunity to lift the profile of sustainable development, but must be accompanied by relevant training for purchasing staff. Efforts should be made to raise the profile of sustainability with NHS Trust staff, with regard to procurement of food and other goods. For example, this could be done at a Hospital Caterers Association or NHS Confederation conference.

Pilot schemes Issues could be explored further through pilot schemes, working with Trusts and suppliers. This could be done on a Trust basis or a product basis. It could also involve comparisons with other European countries – possible European funding for such a project should be explored.

A network for sustainable procurement should be established for procurement professionals in the NHS to share information and experiences regarding sustainable procurement.

Part 5: Summary of recommendations

Government and NHS at national level:

- In the NHS, procurement policies should promote health. Trusts should be required to procure food in a way that impacts positively on long term health outcomes
- The impetus for sustainable procurement will have to come from the Department of Health, Strategic Health Authorities and Primary Care Trusts specifying that sustainable development must be taken into account when commissioning services
- The Office of Government Commerce should develop its own sustainable procurement policy, and promote it to the NHS, local authorities and all public sector purchasers
- A multi-disciplinary working party involving all key stakeholders should be established to formulate a sustainable food procurement policy for the NHS
- The Government should develop a policy framework aimed at limiting unnecessary and high carbon-emitting transport of food
- Office of Government Commerce should issue user-friendly advice on sustainable development issues in procurement to NHS Trusts and all other public purchasing bodies. This could draw together the issues and make clear what can and cannot be done to promote sustainable development through procurement under current EU law, including “food miles” and local food issues, and using case studies to highlight opportunities
- DEFRA should explore possible solutions that allow composting of food waste on an industrial scale, with appropriate safeguards
- PASA should continue to use the “patchwork” model for contracts, and ensure that NHS Trusts and smaller suppliers are aware of it. Other public bodies should use the two alternative models described above to ensure that smaller suppliers are not excluded from national contracts
- Trusts should ensure that the detailed specification in their contracts are not unnecessarily encouraging long distance transport of food or disadvantaging smaller suppliers
- PASA should help potential suppliers to understand the tendering process and what is required for a successful bid. This might involve working proactively with local suppliers, and providing some information or training on the requirements of the tendering process
- Procurement professionals in NHS Trusts should be given guidance on how to go about their purchasing so as to promote sustainability
- Efforts should be made to raise the profile of sustainability with NHS Trust staff, with regard to procurement of food and other goods. For example, this could be done at a Hospital Caterers Association or NHS Confederation conference
- Issues could be explored further through pilot schemes, working with Trusts and suppliers. This could be done on a Trust basis or a product basis. It could also involve comparisons with other European countries – possible European funding for such a project should be explored
- A network for sustainable procurement should be established for procurement professionals in

the NHS to share information and experiences regarding sustainable procurement.

NHS Trusts:

- Procurement professionals should be aware of sustainable development issues in relation to procurement, and should look for opportunities to pursue more sustainable options
- Trusts should make efforts to reduce waste, including through waste prevention. Research is needed on whether provision of meals in pre-prepared cook-chill trays generates more waste than having food prepared on site
- Trusts should consider ending subsidies on unhealthy foods and subsidising healthy foods more heavily in order to improve the health of staff
- Trusts should ensure that the detailed specification in their contracts are not unnecessarily encouraging long distance transport of food or disadvantaging smaller suppliers
- Trusts should help potential suppliers to understand the tendering process and what is required for a successful bid. This might involve working proactively with local suppliers, and providing some information or training on the requirements of the tendering process
- A network for sustainable procurement should be established for procurement professionals in the NHS to share information and experiences regarding sustainable procurement.

Annex 1:

What are the perceived barriers to the NHS achieving a sustainable food procurement policy?

Answers from survey of 59 trusts:

Cost
Packaging
Availability
Delivery
Lack of commitment to sustainable development
Need for environmental policies
Suppliers not engaged with sustainability issues
Red tape
Supply policy
Lack of clear guidance
Getting the message across./raising awareness
Purchasing model favours larger suppliers
Quality
Too many other priorities
Achieving change

Discussion with focus group and consultees:

Local level:

Lack of awareness of sustainability issues at Trust level
Lack of knowledge of local supply market
Resource allocation needed to implement new systems, including monitoring local contracts.
SME's lack of knowledge of procedures for bidding for public contracts.

Within NHS:

Cost
Availability.
Many suppliers not working towards sustainability and it cannot be made a requirement without legislation.
Financial pressures.
Too many other priorities.
Knowledge.
Lack of commitment.
Financial standing orders.
Legal constraints
Purchasing model - seen to favour large suppliers.
Risk management issues

National /EU Level:

Public sector procurement legislation.
Budget limitations works against change
Not yet a requirement.
Lack of appreciation of sustainability at national level.
Lack of a consensus of a definition of sustainable food supply.
Lack of understanding of purchasers of environmental and sustainability issues associated with purchasing.
Perception that costs will increase.
SMEs see public bodies as slow payers.
The Animal By-Products Amendment Order 2001 limits opportunities for food waste composting.

ⁱ Policy Commission on the Future of Farming and Food (2002) *Farming and Food: A Sustainable Future*

ⁱⁱ SDC is investigating this more fully through the Wise Moves project, coordinated by Transport 2000. See the Transport 2000 website for more:
www.transport2000.org.uk/campaigns/WiseMoves.htm

ⁱⁱⁱ Department of Health (2000) The NHS Plan: A Plan For Investment; A Plan For Reform London: HMSO.

^{iv} Audit Commission. (2001). Acute Hospital Portfolio – Catering: Review of National Findings. Audit Commission, London. www.audit-commission.gov.uk

^v NHS Magazine, February 2001 www.nhs.uk/nhsmagazine/default.asp

^{vi} Department of Health (2002) NHS Hospital and Community Health Services Non-Medical Staff in England Statistics: 1991- 2001. London: HMSO

^{vii} Department of Health (2001). August 2000 Earnings Survey. London: HMSO

^{viii} Ministry for Agriculture, Fisheries and Food (1999) National Food Survey, London: HMSO

^{ix} Fougier, J. *et al.* (2001) Barriers to Healthy Eating in the Nursing Profession: Part 1. *Nursing Standard*. 15, 36. 33-36. Part 2. *Nursing Standard*, 15, 37, 33-35.

^x Audit Commission (2001)

^{xi} Purchasing and Supply Agency (2002) www.pasa.doh.gov.uk/whatwedo/

^{xii} Personal communication, NHS PASA

^{xiii} NHS (1999)

^{xiv} Audit Commission (2001)

^{xv} Hospital Catering Association (2001) Response to Audit Commission Report
<http://www.hospitalcaterers.org/audit.html>

^{xvi} Audit Commission. (2002). Improving Health in Wales, A Plan for the NHS and its Partners .
www.audit-commission.gov.uk.

^{xvii} NHS (2000) Healthcare Waste Minimisation: a compendium of good practice
www.nhsestates.gov.uk/download/healthcare_waste_minim.pdf

^{xviii} HM Treasury Procurement Guidelines, November 1998, Annex 22.2 section 2.4; HM Treasury and DETR joint note on Environmental Issues in Procurement, sections 5 and 6d. www.ogc.gov.uk

^{xix} NHS (2000) Healthcare Waste Minimisation: a compendium of good practice
www.nhsestates.gov.uk/download/healthcare_waste_minim.pdf

^{xx} Environmental Protection Agency (1998) www.epa.gov.

^{xxi} See bioregional website for more: www.bioregional.co.uk