



The role of private sector in the Bristol (UK) city region food system

regional food supply into public sector food procurement

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Joy Carey Sustainable Food Systems Planning and RUAF
Foundation

August 2016

Imprint

Published by:

Joy Carey Sustainable Food Systems Planning
RUAF Foundation – Global Partnership on Sustainable Urban Agriculture and Food Systems

On behalf of the Food & Business Knowledge Platform (F&BKP), initiated by the
Netherlands Ministry of Foreign Affairs.

With support from the CGIAR Water, Land and Ecosystems Research Program (WLE /
IWMI)

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1. Introduction

This study on Bristol, UK, is part of joint effort of the RUAF Foundation and the Food Business Knowledge Platform, together with local partners, to contribute to a better understanding of how different types of private sector players can shape/enable the existence of a city region food system (as opposed to a more national or international food supply system); and what business and policy environment is needed to better engage the private sector in building such city region food systems. Similar studies have been undertaken for Rotterdam, The Netherlands and the Quito Metropolitan District, Ecuador. An overall analysis report highlights findings of these three case studies, 19 smaller cases and literature review¹.

1.1 Aim of the Bristol case study

How the private sector contributes to the city region food system is a big area to investigate. This Bristol study therefore addresses a particular type of food supply system within the city region: one of significant scale and that demonstrates both i) a successful approach and; ii) potential for replication.

The focus is on regional food supply into public sector food procurement and on the role of the Food for Life Catering Mark in driving changes within the city region food system. The Catering Mark is a voluntary accreditation scheme for UK caterers and also serves as a policy instrument. It has been developed within the NGO sector at a time of strong public pressure for improvements to school and hospital meals and has proved to be an effective driver of change.

Specifically this study aims to better understand the impact of two public sector buyers' use of the Food for Life Catering Mark in Bristol – North Bristol Health Trust and Bristol City Council, through its contact with Eden Food Service – and the resulting work with the private sector to source more local and regional products, thus shaping and enabling the development of a city region food system in the West of England (and the South West of England). In its analysis of findings the study aims to identify what business and policy environments can help to engage the private sector in building the Bristol (and potentially other) city region food system(s).

1.2 Understanding city region food systems

It is a presumption of this research that the type, role and extent of private sector engagement in food systems is dependent on the type of food and market system involved. Authors of a recent report, 'Food in an urbanised world' ² suggest there are three main types of city region food systems.

¹ All case study reports and the overall analysis report can be accessed at <http://www.ruaf.org/projects/role-private-sector-city-region-food-systems>

² Jennings, S. et al., 2015. Food in an urbanised world – The role of city region food systems in resilience and sustainable development. International Sustainability Unit, UK. <http://www.fao.org/fileadmin/templates/agphome/documents/horticulture/crfs/foodurbanized.pdf>

Food system 1.0

Food system 1.0 is understood as a more decentralised local and regional food system with multiple (smaller scale) actors that connect rural and urban areas. The role of private sector in such a food system involves a majority of small-scale producers, smaller local shops, local traders and a limited number of retail markets. Such food systems may be found in countries with still large rural population, characterised by a greater degree of local and national production, greater prevalence of small-scale producers and informal actors in the market chain and a greater share of consumption of relatively unprocessed foods.

Food system 2.0

Food System 2.0 is characterised as having larger dependence on national and international trade and a smaller number of actors at different parts of the supply chain. It is characterised by a more centralised, consolidated supply chain with greater global integration. Such food systems are predominant in industrialised countries and cities. The role of private sector involves principally larger farmers, a larger role of supermarkets, national and international processing industry, and a wider variety of retail and catering.

Food system 3.0

Food system 3.0 is a more re-localised city region food system that seeks again to strengthen the links between urban areas and nearby rural food producers, recognising social, economic and environmental benefits. They advocate for a higher proportion of food to be sourced locally, through shorter supply chains (with less intermediaries) in which relations between consumers and producers are stronger and more transparent, and where food systems are considered in a territorial context. Such food systems offer opportunities for smaller-scale producers (for example in urban and peri-urban agriculture), alternative short supply chain enterprises, new food IT platforms linking producers directly to consumers and involvement of new private sector actors like health or social housing companies sharing a vision for a healthier and more localised food system. Although a food system 3.0 recognises a potential central role of the private sector, it also understands that public goods will not be delivered by market forces alone and that greater transparency and public participation in the food systems are required.

2. Bristol city region food system

The 'Who Feeds Bristol? Towards a resilient food plan'³ sets out the most comprehensive overview of the Bristol city region food system to date, and evidence from that report, cited below, would suggest that it falls between the above-mentioned authors' food system categories 2 and 3.

Image 1: Bristol, UK



Source: Who feeds Bristol (Carey, J., 2009)

The South West is the largest region in England and includes Bristol, Gloucestershire, Somerset, Dorset, Wiltshire, Devon, Cornwall and the Isles of Scilly. The South West region has a population of five million.

Bristol is the largest city in the South West region, located 169 km west of London, and 39 km east of Cardiff, South Wales. It is the UK's 8th most populous city. The municipality of Bristol had an estimated population of 433,100 in 2009 and by 2015 this was 442,500.

2.1 Description of the Bristol city region food system

Concept

A Bristol city region food system is still a concept of a small minority rather than an evidenced and functioning reality adopted by the people that live in it. The WFB report uses the idea of a 'bioregion' to define the Bristol city region. The concept of a bioregion is relevant when discussing food systems. It denotes a political, cultural, and environmental system, defined through physical and environmental features and through culture, local populations, knowledge, and solutions.' (Carey, J., 2011:13)

³ 'Who Feeds Bristol? Towards a resilient food plan', 2011, Joy Carey.
<http://bristolfoodpolicycouncil.org/wp-content/uploads/2012/10/Who-Feeds-Bristol-report.pdf>

Geographical area

The total population of Bristol, Bath (11 miles east of Bristol) and the surrounding rural/urban area is approximately one million and covers four unitary authority areas in total (Bath & North East Somerset, Bristol, North Somerset, and South Gloucestershire). This area is usually known as the West of England but could also be viewed as a 'bioregion'. The West of England region falls more or less within an 80 km radius of Bristol. However it does not include the area in South Wales that is also within that radius. In fact there are a number of the food manufacturers and distribution links that would suggest the city region more realistically also includes an area of South Wales. For the purposes of this study, 'Bristol city region' will be taken as the area within roughly an 80 km radius of Bristol, i.e. the West of England, excluding South Wales.

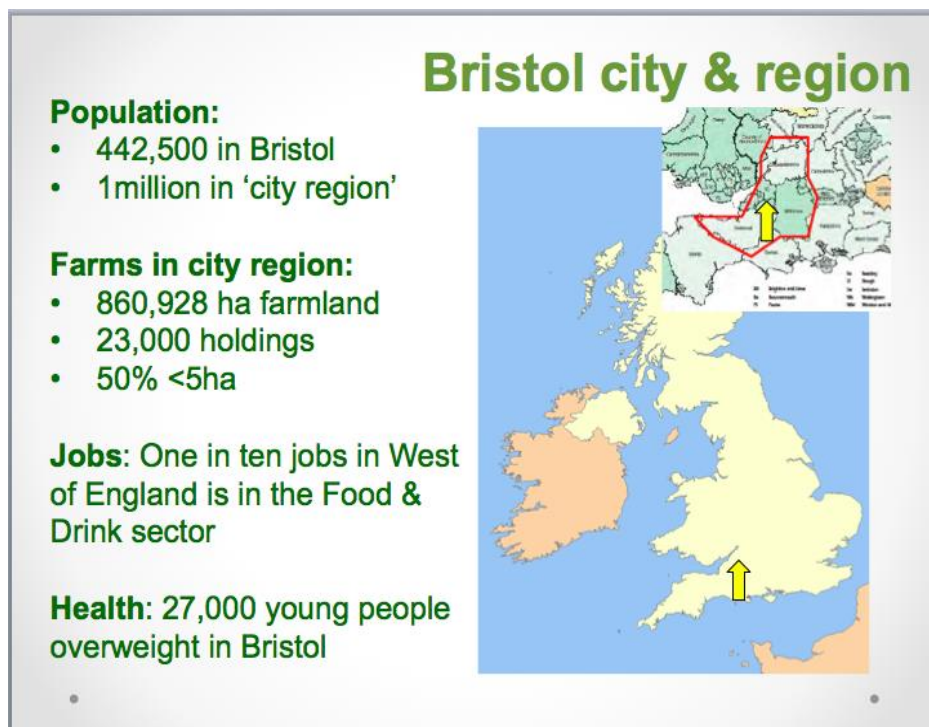
Food businesses

The 'Who Feeds Bristol' report collated 2010 data from the Bristol, South Gloucestershire, Bath & North East Somerset and North Somerset public food registers. It suggest that 'there are approximately 6,600 registered businesses⁴ in the city region that deal with staple⁵ food items including meat, dairy, eggs, fruit and vegetables, bread, flour, pasta and rice. While these figures are approximate, they give an indication of types and spread of businesses within the city region. These figures also suggest that across the Bristol city region around 75% of the registered food businesses are involved with catering; 20% are involved with retail; and around 4% are involved with processing, manufacturing and distribution.' (Carey, J., 2011:15)

⁴ This includes all food businesses registered in the region concerned with food from international, national and local sources.

⁵ 'Staple' in this case is taken to cover all basic food items

Image 2: Bristol city region, UK



Source: 'Who Feeds Bristol' report (2011)

Food retail

The 'Who Feeds Bristol' report had to use various sources of data to compile this information. These data combined with national figures suggests that the Bristol city region is supplied with around 84% of its food & grocery retail sales by approximately 100 stores/shops owned by 5 national supermarket companies. The overall national trend in UK food retail has been away from business diversity and balanced competition to one of consolidation and monopoly. BBC's Panorama programme found that in 2004 the 'big four' (Asda, Tesco, Sainsbury's, Morrisons) owned 19 stores in the West of England, and by 2010 this had risen to 76. (Carey, J., 2011:22)

Wholesale and distribution

The 2.5% of the city region's food businesses that are food distributors, distribution centres, cold stores and wholesalers are a largely unseen aspect of the food supply system, except for the large haulage vehicles and delivery vans that travel up and down the motorways and into the towns and cities. The distributors and wholesalers supply a large network of retailers and caterers. There are a total of 160 distribution/wholesale facilities registered in the city region with 56% of these facilities registered in Bristol and the rest evenly spread across the other three unitary authorities. (Carey, J., 2011:33)

Image 3: Wholesale market Bristol, UK



Source: 'Who Feeds Bristol' report (2011), photographer: Jackson Drowley

Food production

No routine data collection exists about the level of supply of locally produced food in the Bristol city region. This West of England agricultural region is similar to the rest of the South West and supplies a wide range of staple foods: potatoes, milk, cream and dairy products, beef, lamb, poultry and eggs. 30% of wheat grown is for human consumption. Other crops serve both people and livestock, for example oil seed rape where most extracted oil goes for human use and the pressed meal for animal feed. Although locally produced, these products do not necessarily serve a local market and may pass through locally-based processing markets to other parts of the UK/world.

Local food supply

Analysis of available data on local food supply in the 4 public food registers, local food directories and local food websites, and information collected in the 'Who Feeds Bristol' snapshot surveys with food businesses and farmers markets suggests that across the city region:

- 3% of registered food businesses are specifically known to supply food from the local region
- 39 fresh produce and farmers' markets across the city region provide regular trade for around *700 local food businesses, assuming an average of 20 traders per market
- At least 40% of the independent bakers (non-supermarket, non-franchise/chain), 30% of the independent butchers and 7% of fishmongers are known to source locally.

(Note: *There are no exact figures available. If on average each trader attends 2 markets then perhaps the more realistic number may be 350 businesses.)

Image 4: Bristol farmers market, Corn Street



Source: 'Who Feeds Bristol' report (2011)

2.2 Description of food activity in the city of Bristol

Innovation

Bristol was European Green Capital 2015 and is known for its commitment to environmental issues. It has a rich culture of 'Do It Yourself' and is full of inspiring people who are getting on with their good food ideas and making them happen. There is a diversity of food-related business and community activity and a notable number of young adults who are getting involved, including a new but emerging interest in commercial urban agriculture enterprises.

Urban food growing

Bristol has four active city farms that are open to the public. In addition to a lively allotment scene where residents rent small plots of land from the City Council to grow their own food, there are over 45 civil society initiatives in the form of community gardens and orchards. Many of these organise public events, e.g. community apple wassails in late winter, apple days and harvest celebrations in the early autumn, seed swaps in the spring.

Image 5: Community garden in Bristol



Source: Bristol Food Network, photographer: Patrick Graham

Use of local supply

There are several businesses offering home delivery of local/regional produce including organic vegetables and fruit box schemes. Bristol also has an excellent and increasing choice of cafes and restaurants serving affordable meals cooked from scratch using fresh seasonal local or regional ingredients. There are a growing number of community organised food co-ops and buying groups. Bristol Community Farm supplies locally grown organic fruit and vegetables into the city. It is located south of the city, and is jointly owned by its members. The Bristol Pound, a local currency, is accepted by a number of businesses and provides a mechanism for keeping money in the local economy.

Image 6: Veg box from The Community Farm, Bristol



Source: The Community Farm

Independent retail with local suppliers

There are over 40 independent butchers around the city, a good number of which buy meat from farmers in the local region. In the past few years, there has been a significant increase in small-scale bakeries selling a much wider choice of freshly baked breads, a number using organically grown flours milled within the region. The annual 9-day Bristol Food Connections festival showcases many of the city's food shops, fresh food and farmers markets and eating out places as well as a wide diversity of community-led activities. There are many other public events in the city throughout the year, most of which include food markets and food sellers from in and around Bristol. Bristol also has a small number of retailers specialising in local and organic products.

Image 7: Butchers shop in Bristol



Source: 'Who Feeds Bristol' report (2011)

Procurement

Since 2003 there has been a growing interest in more sustainable public sector food procurement from both universities, the City Council and the National Health Service (NHS) Hospital Trusts.

Networks

In terms of coordination and governance there are some strong partnerships in place including Bristol Food Network, Bristol Food Policy Council and Bristol Green Capital Partnership. Key stakeholders include local government, National Health Service, businesses, NGOs, education institutions, civil society groups and organisations.

Potential for the private sector to build a more resilient Bristol city region food system

Overall the 'Who Feeds Bristol' report provides an optimistic picture for a more localised Bristol and the city region food system if there are efforts to build on the wealth of local producers, wholesalers, processors, caterers and shopkeepers, and if there is support for and nurturing of the existing network of community groups, organisations, and entrepreneurs all of whom are interested in good, sustainably produced food.

2.3 Current engagement of the private sector

Small – medium scale

The description above is evidence that there is significant engagement within the smaller scale independent food businesses in Bristol city in more sustainable business practices and in sourcing food from within the region where possible – both in retail and in catering/restaurants. Typically these businesses are mostly smaller scale (less than 10 employees & turnover under £2 million) and some medium (less than 50 employees & turnover under £10 million). Within the wider city region, this engagement is less visible and it is therefore harder to identify exactly what is happening in terms of private sector engagement. However across the Bristol city region there is evidence of active farmers and fresh produce markets, strong local product brands such as Pukka Tea, Diamond White Cider, Pieminister, Mark's Bread, Bath Soft Cheese, Numerous local beers and ciders, organic box scheme businesses and home delivery businesses, shops and eating out places sourcing local products.

Medium – large scale

The 'Who Feeds Bristol' report found that the fruit and vegetable wholesale market in Bristol is a significant player in the city region food system and beyond. It supplies independent retailers, catering suppliers, caterers, hospitals and local authorities across the entire South West, West of England and South Wales regions with fresh produce, much imported in line with the UK national import statistics, (90% fruit imports; 60% vegetable imports) but it's wholesale/distribution companies also carry up to 75% UK produce when it is in season. Produce from the city region is included but not usually marketed as such and therefore not very visible. Businesses operating out of the Bristol fruit and vegetable wholesale market range from regional branches of international companies with a turnover of UK pound c£4billion to more regionally focused companies with less than 50 employees and a turnover of c£1-2 million.

As well as the above-mentioned international wholesalers, the 'Who Feeds Bristol' report found that the city region is home to a number of food manufacturers, processors and distributors that both source and supply product regionally, nationally and internationally. These include companies such as fruit importers, ready-meal manufacturers, abattoirs, meat processors and meat product manufacturers. This is the least visible area of city region food supply due to scale and volume, and where provenance of food has typically been difficult to trace due to significant use of imported food products.

3. Food for Life Catering Mark

Since 2009 The Catering Mark, a voluntary accreditation scheme for caterers, has become a significant driver of change in the UK in relation to improving the quality of public sector meals, responding to a swell of public support and providing a practical framework and mechanism for embedding policy change from both top down and bottom up.

The purpose of looking at the Food for Life Catering Mark in this study is to explore the extent of its role in enabling city region food system developments, through its focus on clear provenance and traceability, and specifically what role it is playing in enabling the private sector to engage with the Bristol city region food system.

The Food for Life Catering Mark is an independent endorsement, backed by annual inspections, for food providers who are taking steps to improve the food they serve. It is managed by the Soil Association Certification Ltd, UK and is available for all organisations that serve food.

3.1 The Catering Mark as an instrument of policy

The Catering Mark was designed by the 'industry', in this case the organic sector, to be a push-pull policy instrument and over the last 7 years, has created significant change at various levels. It has been intentionally developed for use both at the policy and consumer ends to help drive a combination of health, environmental and local economic improvements. As outlined above, policy change at a national level both in the National Health Service and in Public Sector procurement has helped to raise awareness of the Catering Mark. At a local government level, or a Hospital Trust level, the Catering Mark has provided an easy to use externally accredited tool to help manage improvement of public sector meals and of contract delivery over time. At a consumer level it is something that is easy to understand and can be used as a campaign tool to drive change from the bottom up e.g. students, parents and teachers.

In terms of driving change in sourcing of specific products by private sector suppliers, there has been a filtering down the food supply chain with large suppliers serving the large contract caterers and who are gradually offering more Catering Mark (CM)-compliant products. This in turn stimulates competition with other suppliers. For example Brakes, one of the largest catering suppliers carrying over 8,500 lines of food and drink, now list CM-compliant foods in their brochure. Information is not yet available on the extent to which this trickling down effect has had an impact on regional producers, specifically in relation to local sourcing of finished product or raw material. For example in 2016 Phat Pasty Company became a Food For Life – Catering Mark Supplier Partner, offering pasties and sausage rolls to meet the Catering Mark accreditations. A national catering supplier distributes Phat product. The pork in the sausage rolls is UK farm assured but the Phat Pasty Company does not provide further information as to provenance on its website. Traditional Cornish pasties are 'handcrimped in Cornwall' but the exact provenance of the fillings is not specified. (<http://www.phatpasty.com>)

3.2 Details of the catering mark

History and purpose

During the 2000's there has been much debate in the UK about food quality and provenance. Following the Foot and Mouth (F&M) crisis of 2003, export limitations were imposed on UK producers and attention turned to the significant domestic market opportunity provided by the public sector's food procurement requirements. The public was increasingly concerned about quality, traceability and provenance. The F&M crisis led to the development of the Red Tractor accreditation, currently also seen as an assurance of UK provenance. The Red Tractor is a food assurance scheme that looks at production standards on safety, hygiene, animal welfare and food production.

Alongside this, there was huge public debate stimulated by the media and by celebrity chefs, one of whom was Jamie Oliver who put his energy into a public campaign to improve school meals. Within this context, several national NGOs concerned with food, sustainability, nutrition and public education joined forces to create a UK-wide Food for Life (FFL) Partnership programme, funded by the National Lottery. The aim of the programme was to provide a framework of support and inputs that would enable a transformation of school food culture including the actual meals.

The Soil Association, the lead partner in the FFL partnership, developed the Food for Life Catering Mark in 2009 to provide a clear accredited framework, initially for improving school meals. The Catering Mark has since been developed further and is now used by the health sector and other private catering establishments throughout the UK, though still largely used by public sector caterers. It offers caterers a 'bronze' entry point with the opportunity to put in place further improvements in order to gain 'silver' and 'gold' catering standards. The fixed bronze standards apply to all caterers while silver and gold are assessed using a points-based system. Points are achieved at silver and gold for sourcing environmentally friendly and ethical food, steps taken towards making healthy eating easy and towards championing local food producers. (See more details below.)

What the Catering Mark provides

The Catering Mark addresses many of the food quality issues that concern the public and signals a caterer's commitment to ethical, sustainable and fresh food. It ensures meals are made up of seasonal, traceable, healthier, sustainable and fresh ingredients, free from trans fats and nasty additives. Caterers are audited to ensure they meet high standards of provenance and traceability, providing reassurance to customers that meals are freshly prepared using environmentally-sustainable and seasonal ingredients. They are also asked to demonstrate their compliance with relevant national standards, including the School Food Standards, or guidelines on food and nutrition. (For more details, see section below.)

Food for Life Catering Mark standards

The Catering Mark applies only to food. It does not cover drinks although food providers can achieve points at silver and gold standard levels for using organic milk.

Catering Mark standards are set and overseen by the independent Food for Life Catering Mark Standards Committee: a range of independent experts, who are appointed by open recruitment on the basis of their individual experience and knowledge. Changes to the Catering Mark standards always follow a public consultation.

The aim of the scheme is to encourage and reward caterers who: serve fresh food; source environmentally sustainable and ethical food; make healthy eating easy; and champion local food producers.

Bronze standards



The focus at bronze level is not on locally sourced products. The Bronze Catering Mark standards are fixed. These focus on removing harmful additives and trans fats from the menu, and ensuring that the majority of food on the menu is prepared freshly on site.

Silver and Gold standards

To achieve Silver and Gold, a caterer must also demonstrate that they meet the Bronze Standards. The Silver and Gold standards are assessed on a points system. Food providers are rewarded for every percentage point of their ingredient spend on ethical and environmentally friendly food, locally sourced ingredients and steps to offer healthier menus.

A caterer can move up to silver and gold standard by increasing their use of local and organic products, which is where there is the potential for more impact on city region food systems. One of the areas for improvement is in 'championing local producers' drawing on the Public Services Social Value Act of 2013 that requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. However it is not mandatory to include local products and it could be possible for a caterer to gather points from other categories to achieve silver or gold.

The points system



To achieve silver, a caterer needs at least 150 points, including a minimum of:

- 40 for sourcing ethical and environmentally friendly food
- 20 for making healthy eating easier
- Plus 90 points from the above two categories and/or championing local food producers

To achieve gold, a caterer needs at least 300 points, including a minimum of:

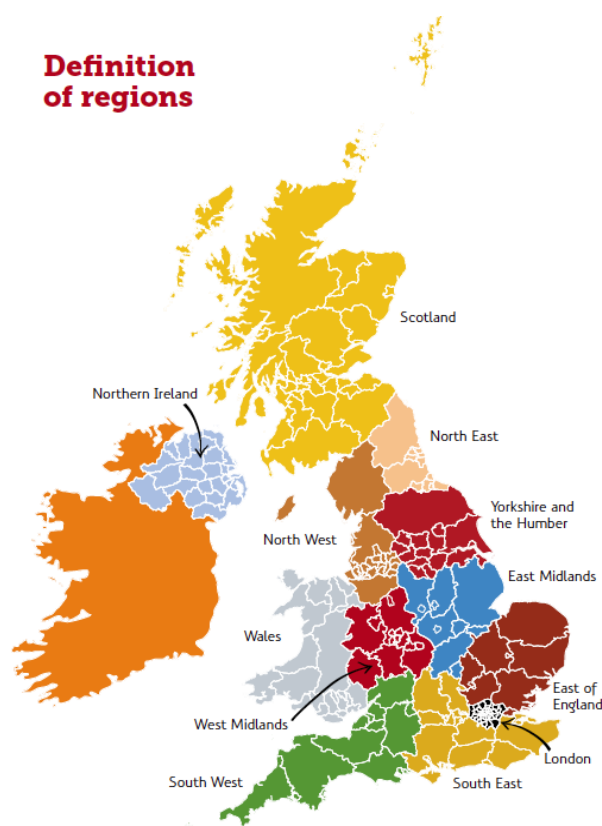
- 100 for sourcing ethical and environmentally friendly food
- 50 for making healthy eating easier
- Plus 150 points from the above two categories and/or championing local food producers

In general the more local ingredients, the more points can be scored.

There is guidance given for defining what local means to different areas of the UK with examples of how a caterer might consider what is 'local' to them. The map that is referred to in the notes below defines regions of the UK as the 9 English administrative regions, Wales, Scotland and Northern Ireland.

The 'counties' in each of these regions or countries are also shown.

Definition of regions



2.3. Championing local food producers

Points are given for spend on UK and locally sourced produce:

- » 3 points per % of total ingredient spend on ingredients produced in your local area (as defined by the map overleaf) includes fresh produce and any other locally produced item made with 50% or more local ingredients.
- » 2 points per % of total ingredient spend on UK produced raw ingredients above the national UK average of 59%.
- » Raw ingredients are defined as meat, fish, eggs, dairy products, fruit and vegetables, oil, sugar and flour.

2.3.1. Raw ingredients from your local area or adjacent county (as shown on the map overleaf)

- » Score 3 points for every % of spend on food produced (grown) in your local area (or adjacent county) as a proportion of your total spend on raw ingredients.
- » Multi-ingredient products which are made locally using 50% or more locally produced ingredients can also score points in this category.
- » Raw ingredients are defined as meat, fish, eggs, dairy products, fruit and vegetables, oil, sugar and flour.

For example:

- » If your menus are served in Devon, you can gain points in this category for any raw ingredient produced in the south west.
- » If your menus are served in Wiltshire, because you are on the border of another local area, you can gain points for any raw ingredient produced in the south west or the immediately adjacent counties of Hampshire and Oxfordshire.
- » If you are based in Dumfries and Galloway, you can gain points in this category for any raw ingredient produced in the adjacent county of Cumbria, or anywhere in Scotland.

Source: Food for Life Standards Handbook for Hospitals

https://www.soilassociation.org/media/2160/standardshandbook_hospitals.pdf

3.3 National endorsement & new procurement legislation

The Catering Mark has been cited by NHS England as a way to improve hospital food, and by the Department for Education as a national framework to support caterers to increase uptake of quality school meals.

The Government's new 'Plan for Public Procurement: Food and Catering' that takes a balanced score card approach recognises the Catering Mark as a 'well-established' best practice tool.

'Food for Life Catering Mark is a well-established scheme for caterers that covers similar issues to the balanced scorecard. Membership of the scheme provides caterers with independently verified evidence of their achievements. It incorporates a wide range of product assurance schemes including Red Tractor and other farm assurance schemes, Fairtrade, LEAF Marque, Marine Stewardship Council, Freedom Food and Organic, and will generally guarantee good or excellent performance by caterers against the award criteria in the balanced scorecard.' (Plan for Public Procurement: Food and Catering: July 2014, DEFRA)

The Catering Mark features as a quality check in two other ways in the NHS.

- PLACE is the new system for patient-led assessment of the quality of the patient environment. The assessments apply to hospitals, hospices and day treatment centres' providing NHS funded care. The Catering Mark is recommended as a way to improve the food offer.
- The CQUIN payment framework enables commissioners to reward excellence, by linking a proportion of English healthcare providers' income to the achievement of local quality improvement goals. This has also promoted the Catering Mark as an improvement goal.

The Public Services Social Value Act

The new 'Public Services Social Value Act' came into force on 31 January 2013 and has proved very useful in strengthening the case for seeking more local suppliers for public sector contracts. UK Government guidance explains: 'It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before they start the procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. The Act is a tool to help commissioners get more value for money out of procurement. It also encourages commissioners to talk to their local provider market or community to design better services,

often finding new and innovative solutions to difficult problems.’
(<http://www.legislation.gov.uk/ukpga/2012/3/enacted>)

3.4 How the Catering Mark is helping to drive more local supply

Source: Interview with Soil Association Catering Mark Manager, May 2016

Role in facilitating regional supply chains

Focus on UK produce: The Catering Mark (CM) works with ‘Farm Assured’ and ‘Red Tractor’ accredited products, which means that all these products are from the UK. Red Tractor does not currently include anything that is not from the UK.

Approach to local supply: The Catering Mark cannot make local or regional sourcing mandatory due to EU regulations around procurement. Instead the CM holder is rewarded on a points system that rewards: spend within the county or adjacent county; % spend on any UK sourced products over 59%. (Detailed guidance here https://www.soilassociation.org/media/2160/standards handbook_hospitals.pdf)

Defining ‘local’: Local/regional definitions are difficult. The focus of farming varies from county to county and therefore different products are available in different areas e.g. dairy in the South West; fruit and veg in the East. Guidance (see above) is available to help caterers.

Finding local suppliers: The Soil Association’s Catering Mark team realised after a few years that finding local suppliers is quite challenging especially for the smaller scale caterers. In response the on-line CM ‘Supplier Scheme’ was established and lists suppliers that offer CM compliant products.

Support for suppliers: The Catering Mark team provide supplier training with regard to the CM standards, purpose, how to become compliant and how to develop more compliant products. It gives more visibility to suppliers and helps caterers source local and organic products; it also helps caterers source basic products that help them get to bronze. (See guidance above.)

Brokerage: The Catering Mark’s team of Regional Development Managers work closely with suppliers and help to liaise between buyers and suppliers, by phone and visits. They will provide more information on the CM; explain what’s needed from each side; highlight other CM holders and help suppliers see the potential for more business.

Challenges in facilitating regional supply chains

Finding local products: There are a lot of suppliers based in the South West of England (includes Bristol city region) but they don’t necessarily source the majority of their products from the South West; many source from all over the UK and also from outside the UK.

Cost: Cost is the biggest issue and is the crucial point of breakdown in supply arrangements. Caterers have tight budgets.

Myths: The Catering Mark (CM) team often come across a perception in the kitchen that it will be hard to work with a small-scale supplier. However, according to the CM team, this is a

myth – once the caterers try they see it is not more difficult. Problems in supply that may arise are not due to the size of the supplier.

Prevailing practices & lack of information: The CM team finds that suppliers often source from the UK or EU. There is a need to enable suppliers to focus more on farmers, or to enable farmers to supply direct to caterers themselves. This suggests it would be useful to map out more of the regional supply chain and give this information to farmers and growers in order to help develop more regional/local supply.

Risks and benefits of new local supply chains

Risks: Caterers have long-term contracts that can be very technical and time-consuming to apply for; therefore new (and smaller) suppliers find it harder to get involved in bidding for contracts themselves. Existing contractors also have their long-term established suppliers, which can make it harder for new suppliers to enter that supply chain.

Benefits: The CM team has found that when caterers take on the Catering Mark, the process gives the procurer a good reason to review all existing suppliers and this in turn opens up new opportunities for bringing in others. E.g. Midlands Hospital Trust achieved gold level and managed to remain cost neutral by reviewing the whole operation and balancing out changes related by 'gold' improvements through changing costs in other areas. There is a danger however that if the focus is just on sourcing more local or organic without reviewing the wider operation this may end up increasing costs.

Increasing the impact of the Catering Mark

The Soil Association believes that there needs to be less of a focus on cost by the procurement decision-makers, and more on the positive impacts, but this will take longer to see happen. Ultimately the CM is promoting and will continue to promote a conversation that might not have happened without it.

4. Bristol's public procurement sector and city region food supply

According to the 'Who Feeds Bristol' report, of Bristol city's 4,500 registered food business, 74% are caterers. Of these caterers, approx. 2,000 serve meals and many rely on the fruit and veg wholesale market.

The largest of these caterers include public sector institutions. For example the Bristol annual school meals budget in 2010 was £3.5-4 million so the potential purchasing power of this education part of the catering sector alone is significant.

4.1 Public sector catering in Bristol

Institutions that fall into the public sector category include the following:

- Hospital Trusts
- Police
- Local authority food procurement contracts for non-school meals e.g. museums, visitor centres, community meal services, own events and hospitality
- Colleges
- Universities
- Prison services
- Other NHS services like the Ambulance service.

In 2012 a baseline study was undertaken with ten of the participating organisations of the Public Sector procurement group for the West of England. It found that of an annual spend of many millions annually on food procurement, 35% went on locally sourced foods. (Bristol Sustainable Food Cities Award, Silver, 2016:43)

The caterers serving these public sector institutions may be in-house or externally contracted to deliver catering services. An in-house caterer will have contracts with suppliers. A contracted caterer will have contracts with both the institution for which they provide meals and with their suppliers. Depending on the nature and specifications of these contracts, the caterer may choose to seek more local or regional products.

It is possible to explore some of the city region supply networks that operate mainly at a medium scale and to develop a clearer understanding of the role these businesses play, by focusing on public sector catering. Where caterers hold Catering Mark awards, the local supply links are made more visible by the accreditation process.

4.2 Use of the catering mark in the Bristol city region procurement sector

According to data from the Soil Association Catering Mark team, of the current total of 45 Catering Mark award holders in the South West region, 31 are in Bristol city region (West of England).

- Gold: 15 out of 20
- Silver: 9 out of 15
- Bronze: 7 out of 10

It is the silver and gold award holders that have an increased level of city region sourcing.

Of the 45 catering mark holders in the South West region, around 20 are related to public sector food procurement, and about 12 of those are within the Bristol City region. These are predominantly school and hospital meal providers. About 8 of these have silver or gold level CM.

Catering Mark award holders in Bristol City Region

A wide range of caterers hold the Catering Mark awards, though predominantly those catering for the public sector. Some of these award holders are providing meals for a number of schools or care homes. This table only indicates the numbers and types of award holders, not scale of services (i.e. the numbers of meals they produce).

Table 1: Number and types of catering mark holders

Type of catering	Bronze	Silver	Gold
Hospitals	2	1	1
Schools	1	2	2
Early years		1	4
Pubs/restaurants			2
Visitor/conference centres/Staff canteen	1	2	3
University		3	1
Care homes	3		2

Source: data from Soil Association Catering Mark, 2016

There are a number of larger-scale buyers (universities, schools & nurseries, hospitals) in the city region with the catering mark at silver and gold levels, which suggests that there will have been an increased level of local sourcing in the last 6 years.

Bristol city council (BCC) catering contracts

All BCC contracts: The Silver level Catering Mark is now being added into revised specifications as contracts come up for renewal. In addition to school meals, the City Council is working with their various food contract holders in different departments to develop a better understanding of the benefits of the catering mark and how to work with it. These contracts include hospitality events, visitor centres, the museum, community meals and a frozen meals provider.

School meals: The school meals contract requires Silver level Catering Mark, or that the provider can show clear progress towards silver. This has the strong support of Head teachers – the schools themselves have driven the process for use of the Catering Mark standard.

- 114 primary schools serving 12,000 silver catering mark meals each day in term time.
- 11 Academies serving around 2,000 bronze and silver meals each day
- 49 early years settings serving around 1,800 silver and gold meals each day

Source: Bristol Sustainable Food Cities Award, Silver, 2016:46

Number of Catering Mark-accredited meals in Bristol

In Bristol alone, a Public Health baseline report in 2013 estimated that 23,623 Food for life Catering Mark accredited meals were served daily across Bristol: 2,100 bronze; 21,143 Silver; 380 gold.

Source: Bristol Sustainable Food Cities Award, Silver, 2016:45, 47

This could be understood as roughly 5% of Bristol's lunches. While this doesn't mean local products are necessarily used in all these meals, there will be a proportion of locally sourced ingredients.

The largest public sector meal providers in Bristol

Data held by the Soil Association Catering Mark Team on CM award-holders in the Bristol City region shows that local supply of meat, vegetables, dairy and bread are cited by silver and gold level award holders, some of which is certified organic.

Two of the largest public sector meal providers in the city of Bristol are North Bristol Health Trust (NBT) that prepares meals for Southmead Hospital, and Eden Food Service that supplies meals for schools. Both are holders of the Catering Mark awards.

NBT and Eden play a key role in driving city region food supply, i) as the biggest players in terms of overall volume and; ii) due to the relatively high proportion of local sourcing in line with their Silver and Gold level Catering Mark status.

4.3 North Bristol NHS Trust

North Bristol NHS Trust has been serving Silver Catering Mark meals to hospital patients since 2013, having gained Bronze initially in 2009. They now serve 1,900 meals a day, (693,500 annually), to patients. The hospital's staff restaurant has a Bronze award and is working towards gaining Silver. NBT kitchens operate 5 days a week and prepare 3,000 meals a day on site for the cook/chill system at Southmead Hospital in Bristol.

Image 8: North Bristol Health Trust catering team with the silver catering mark award



Source: North Bristol Health Trust

The motivation to develop local supply chains at NBT

Source: interview with Senior catering managers at NBT, May 2016

Motivation at a strategic level within NBT:

- *Inspiration:* NBT were inspired to review their food procurement by the ground-breaking work of a London hospital prior to the launch of the Catering Mark.
- *An accredited approach:* NBT was already starting to go down a more local and traceable sourcing route but the Catering Mark enabled this to happen in a structured way and NBT became one of the first hospitals to gain the Bronze award.

Personal motivation of the catering team:

- *Local economy:* There is an understanding amongst the catering team that they are responsible for spending tax payers' money and believe it is a good thing to re-invest in the local economy where possible and to 'give something back to the community'.
- *New understanding:* As a result of working with the FFL catering mark, there is now a stronger personal interest and awareness amongst the NBT catering management team about provenance and animal welfare.
- *Value basis:* The CM aligns with personal values of the team; 'it's something nice and interesting to do and it allows chefs to use their skills.'

Supplier motivation: Two of the direct suppliers that we have interviewed, both are farms with their own processing on site were neither pro-actively considering the public procurement market in Bristol nor were they aware of the Catering Mark developments.

- *Business opportunity:* In one case it was the wholesaler who already supplied NBT who instigated the business.
- *Business introduction:* In the other case it was brokerage by the Soil Association providing support to public procurers in finding suitable regional suppliers.
- *Practical fit:* The processor was considered because no one else could match the volume requirements and provide the traceability in the region.
- *Values:* The motivations of the business owners stretch beyond the commercial; as one of the owners states '*It gives me a lot of pleasure to be supplying the local hospital with my products*'.

Focus on local: NBT outlined a number of ways that have enabled them to source more local supply.

- *Approach to procurement:* Ultimately it's down to the method and approach of the procurement team.
- *Supply contracts:* NBT have increased the weighting for local in their contract specifications but cost remains a key issue. In the step up from Bronze to Silver with the patient meals, NBT changed to organic mince beef, sourced through a local supplier. For the same step up to silver with the staff canteen, NBT may decide to count their organic flour, sourced from a local mill, which is used in the kitchens for baking.
- *Sourcing contacts:* NBT are interested to find more local suppliers but it all takes a lot of time. Assistance with sourcing connections from the Soil Association Catering Mark Development Manager has been very helpful.
- *Engaging the wholesalers:* One of the NBT suppliers has seen the benefit to their business having been involved with NBT; has become more engaged in regional/local supply and has introduced NBT to new local products e.g. a local sausage. This supplier also helps the primary supplier to become compliant with NBT requirements.

What else could be done?

NBT outlined areas where they or others could do more.

- *Go for silver or gold:* NBT could upscale local supply though the silver or gold award process and are keen to get the silver award for their staff canteen.

- *Fruit & vegetable supply:* They currently do not source any local fruit and veg, so this would be a category around which to do more work.
- *Audit chains:* can appear to be prohibitive but other solutions can be found. E.g. a key local product supplier was not accredited for NHS supply but did have supermarket standards accreditation. NBT was able to cross-reference and accept these standards.
- *Contract specifications:* The FFL catering mark standards could be built into new contract specifications if they are being privatised.

What can we learn from NBT work with the Catering Mark?

Risks & challenges in sourcing from the city region:

- *Price:* Ultimately it comes back down to the right price. If that works then local sourcing can happen.
- *Support:* Help with finding suppliers has been crucial.
- *Due diligence processes:* Buying direct from suppliers is a risk because of the due diligence requirements that fall on the hospital. The suppliers have to have evidence of accreditation at a level equivalent or higher than NHS requirements. It is much easier to require the wholesaler to make sure all this is in place. The hospital staff do not have the time to assist the suppliers on this.

Benefits in sourcing from the city region:

- *Structure:* The CM provides a clear structure and has probably speeded up this work.
- *A good story:* Customers and patients like to hear that it's local; it is more traceable, it puts something back into the local community, there's a story linked to the food.
- *Reputation:* there is praise and honour associated with the FFL Catering Mark awards e.g. NBT went to Clarence House to meet HRH Prince Charles – good for the hospital's reputation and public relations.
- *Traceability:* During the horsemeat scare, there was not one complaint or need to deal with any concerns because the meat used by the hospital is fully traceable.

Supplies from the city region

NBT's total annual food spend is £1,019,868. The majority of food at NBT is procured through one national catering supplier. NBT's purchase from what they call 'local' suppliers amounts to 37% of the total expenditure (source: NBT's unpublished data). NBT's definition of 'local' does not necessarily imply provenance, it means direct supplies from a number of wholesalers or processors largely based in the South West.

When we look at the individual businesses that are involved we see that:

- 13% of NBT's food procurement in value is from within an 80 km radius of the city
- Two key suppliers are just outside the 80 km radius within a maximum radius of 100 km. Those suppliers account for a further 11% of NBT's food procurement spend
- 13% are of unknown provenance or from direct suppliers outside of the city region. This includes a London-based supplier, suppliers whose details we don't have access to and a city region processor who sources the majority of his raw material from outside the city region.

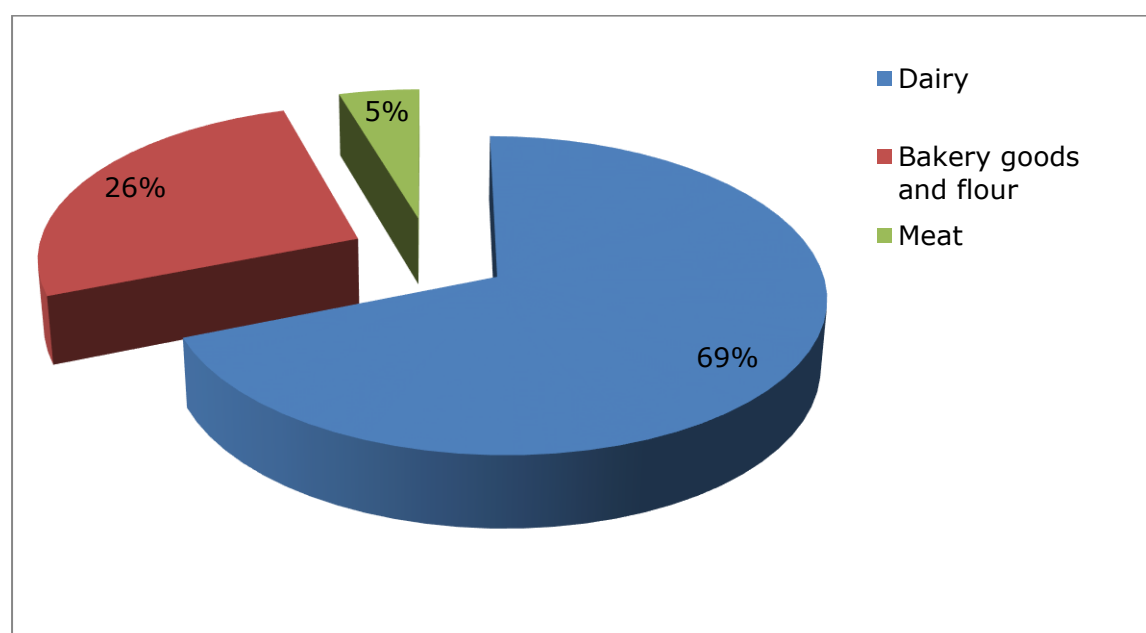
The suppliers within the 100 km radius buy the majority of raw material that is used for products for the hospital from suppliers in the city region. Examples include:

- A bakery goods business sourcing key products such as flour (90%) from a family-run processor in the city region and cheese for their sandwiches from a nearby family-run farm
- Two dairy processors who mostly use their own farms' milk or that of other local farms.

In summary, 24% of NBT's annual food spending accounts for suppliers who are based in the city region and also source the majority of their raw material from the city region.

NBT's procurement from the city region focuses on dairy products (milk, cheese and ice-cream), bakery goods (including flour) and meat (see Figure 1). Fish and ham are also sourced from the South West but we don't know the exact provenance of these supplies. The most significant product category for produce sourced from within a 100 km radius of Bristol is dairy, which is not surprising given the dominance this sector has in the region.

Figure 1: City region supplies (within radius of 100 km) to NBT breakdown by category



Source: NBT data

4.4 Eden Foodservice

Image 9: School canteen in Bristol



Source: 'Who Feeds Bristol' report (2011)

Eden Food Service, a private sector business that is now part of international company InterServe (formerly part of Rentokil), supplies 350 schools across England with Silver Standard Catering Mark accreditation. Eden holds Bristol City Council's contract to provide school meals in 126 schools in the Bristol city region. This began in 2007 as an 8-year contract worth £40m (£5 million per year). In 2014, they were the first catering business in the UK that achieved Food For Life gold standard, a benchmark that encourages a significant proportion of produce to be sourced regionally and a proportion of organic produce amongst a wide range of other criteria.

The motivation to develop local supply chains at Eden Food Services

Eden Food Service have been one of the early adopters of Food For Life and changed their supply chain from using exclusively one of the 'one-stop' national catering suppliers purely focussing on volume and value around 2009 to accommodating a degree of purchasing from regional suppliers. This was in response to changing customer perception and interest in provenance as well as the changing tender requirements from local authorities such as Bristol City Council. Eden and their suppliers are an example of a private sector supply chain serving the public sector.

Motivation at a strategic level within Bristol City Council to adopt the Catering Mark:

Source: interview with BCC officers, May 2016

- *Early school meals pilot:* BCC has been supportive of the CM since it started and, with the Soil Association, piloted the original Food For Life approach with schools in 2004/5 in

advance of the full FFL Partnership programme. At that time, Bristol had its own in-house catering company that provided school meals.

- *Pressure from schools:* In 2007 the school meals service was put out to tender. Eden Foodservice won the contract to provide school meals in Bristol for eight years. 2-3 years ago, many of the schools wanted to see improvements and drove a process, with support from BCC, to bring in the Catering Mark.
- *Other contracts:* At a similar time, BCC were renewing contracts for Hospitality and Events Catering and advocates within the council ensured procurement took the CM standards on board.
- *New school meals contract specification:* Bristol City Council has now included in the new school meals contract that the caterer should hold the Catering Mark Silver level award or should be able to demonstrate clear progress towards attaining Silver.
- *Assured standards:* The CM offers BCC independent assurance re. standards, when BCC resources to follow up and check/monitor compliance with caterers during a contract is very limited. The CM fulfils the majority of the Governments Plan for Public Procurement (Balanced Scorecard) criteria.
- *Social Value Act:* In 2013 new UK legislation required public bodies to take into account social and environmental benefits when awarding contracts, rather than focusing solely on cost. This is viewed as a supportive framework for including sustainability angles in public sector food procurement contracts.

Motivation at a strategic level within Eden Food Services:

(Source: interview with Development Manager, Interserve, May 2016)

- *Shift in focus:* Eden is a national catering provider with contracts around the UK. It previously had one main supplier – Brakes – with a sole focus on value and volume. Around 2007 the business started to change in response to public perception and interest in provenance and quality of food. The focus started to shift to sustainability and provenance.
- *Early adopter:* 2009 was a turning point with the launch of the Food for Life Catering Mark. Eden became one of a handful of suppliers to pilot the approach. They were the first national caterer to both attain bronze and then silver. The drive came from Local Authority (LA) requirements and Eden was able to respond to it as a business. In 2015 Eden gained Gold CM accreditation for their Bristol school meals and has opened a demonstration kitchen.

Focus on Local: Eden outlined a number of ways that have enabled them to source more local supply.

- *Know your suppliers:* Work with suppliers who are able to meet the volume requirements and audit requirements (prospective suppliers are checked for meeting audit requirements prior)
- *Willing staff:* It is crucial to have someone in the organisation that is able to have dialogue, to learn about what is available and identify which suppliers are capable of meeting the specifications and required volume.

What can we learn from Eden's work with the Catering Mark?

- *Commercial case:* The company has to justify all these changes commercially: ethos + value + competitiveness drives change.
- *Clear contract requirement:* 'If you make it a requirement in the tenders then you will pull through major cultural change and make it the norm' (to source from the region etc.).
- *Costs do increase:* To attain the 2015 CM gold award in Bristol, Eden has changed to 100% organic milk and free-range pork. This has taken food costs up but not hugely.
- *Cost increases depend on the starting point:* Eden was already sourcing Red Tractor so didn't start with the cheapest costs.
- *Takes time:* Change happened over a decade, not overnight.
- *Potential for more:* Their training/demo kitchen that opened April 2016 has just got CM gold award; this illustrates the potential for similar outlets.

Risks and challenges in sourcing from the city region:

From Eden's experience, there are no risks/limitations as long as they work with suppliers who are able to meet the volume requirements and audit requirements.

Benefits in sourcing from the city region:

- *A good story:* Great for communication, e.g. since December 2014 Eden sources eggs from a family-run farm in Cornwall supplying 725 dozen eggs per week into 125 schools in Cornwall, Devon and Bristol.
- *Relationships:* Changes the relationships between clients and suppliers – more direct relationship with local suppliers as supposed to just one big national supplier.
- *Business potential:* Sourcing of local products meant Eden could meet Local Authority tender requirements on local sourcing (although that's just one small factor in winning contracts).
- *Marketing:* Parents love it.
- *Business advantage:* Although Eden is a national business, their local (South West region) supply chain is much more flexible. In general, national wholesalers because of the nature and the scale of their businesses, tend to be less flexible and have less scope for change.

As the interviewee pointed out, the ability to accommodate regional suppliers particularly in a big and purely commercially focussed business requires '*someone in the organisation who is able to have dialogue, to learn about what is available and who is capable of meeting the specification and required volume.*'

Supplies from the city region

Eden Food Services source fruit and vegetables, milk, yogurt, eggs and halal meat from the South West region. The most significant product category for procurement from the city region is fruit and vegetables, which are supplied by a Bristol based specialist wholesaler. The amount of city region produce is up to 40% of the range, up to 30% of the volume and 20% of the value, varying according to seasonality. City region growers from the Wye Valley, Evesham, North Devon, Somerset and Wiltshire all feed into the supply chain.

The role of private sector in the Bristol (UK) city region food system

Milk is procured from a specialist dairy wholesaler in the city region who sources packed product from a major dairy processor. The processor operates two plants in Somerset and Worcestershire, who in turn predominantly source from South West dairy farms. All yogurts are sourced from an organic farm-based processor in the city region and they are supplied via the same dairy wholesaler.

Halal meat is sourced from a Bristol based business but it is not known how much of the meat originates in the city region.

Figures on the proportion of total annual spend on city region-sourced supplies were not available.

5. Analysis of the role of private sector in the Bristol city region public procurement sector

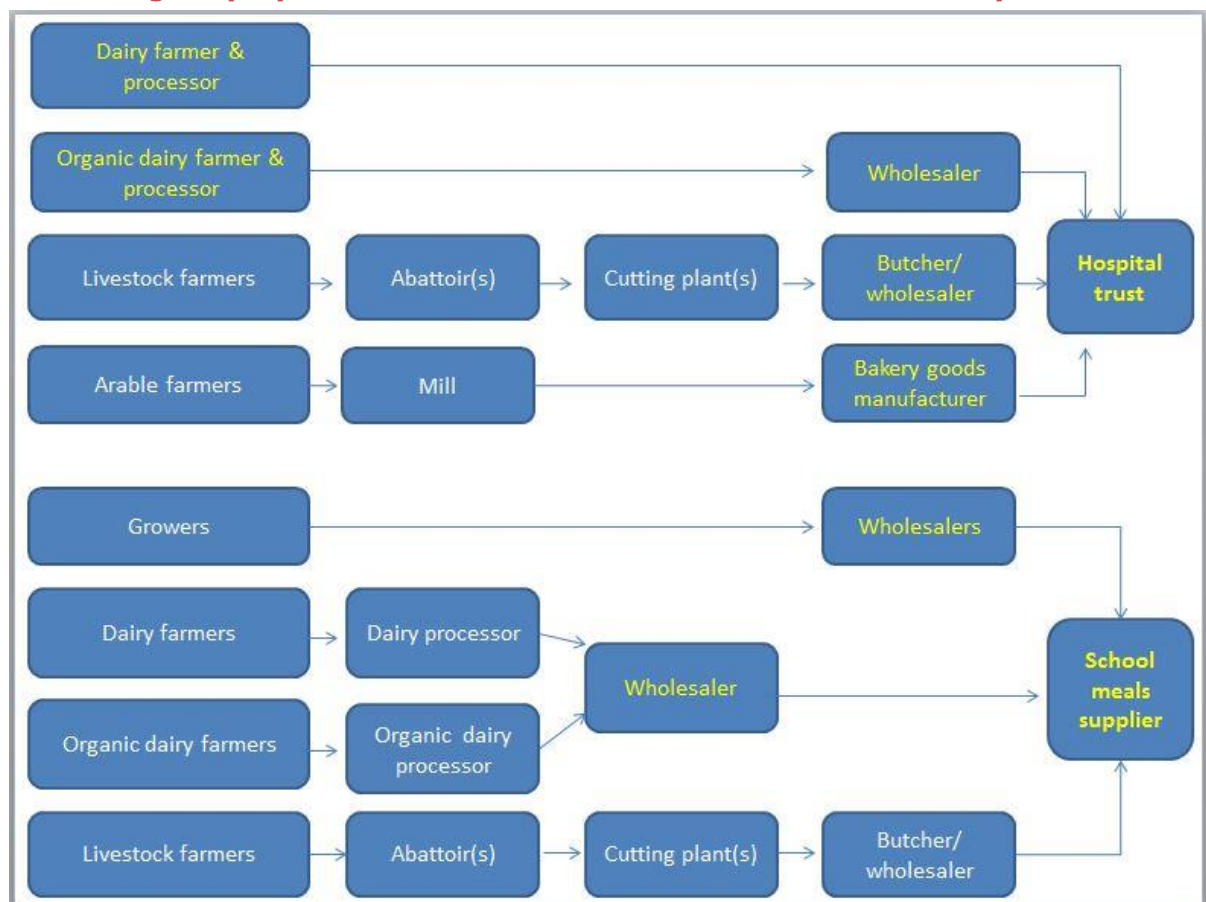
North Bristol NHS Trust (NBT) and Eden Food Services use a select number of suppliers to source ingredients from the Bristol city region and the wider South West. In this chapter we present an overview of key suppliers, analyse characteristics of supplier businesses, summarise challenges that city region suppliers face and what is required to maintain and increase city region supplies.

5.1 The supply chain

Public procurement buyers typically procure all products from just one of the major catering wholesalers. Their supply chain is usually characterised by a complex national and international chain with a uniform product range. Sourcing products from the city region means changing some of the supply arrangements and buying (a proportion of fresh products) direct from specialist wholesalers or processors who are able to match the provenance, volume and audit requirements.

Figure 2 illustrates the city region supply chain of the two major public sector buyers in the Bristol region. Both buyers continue to source the majority of their goods from major catering wholesalers. Those supply chains are not illustrated nor represented here.

Figure 2: City region supplies into the two major public sector buyers in the Bristol region (in yellow the businesses that we have interviewed)



5.2 Description of key supplier businesses

We interviewed seven representative supplier businesses who play a major role in providing city region produce to two of the biggest public procurement buyers in the region, the North Bristol NHS Trust and Eden Foodservices. Most of the interviewees were direct suppliers. An overview of the individual businesses is presented in Table 2.

Through this research we have identified a further nine city region food businesses who are indirect suppliers to some of the direct suppliers. Only limited information (all based on internet research) on this set of suppliers is available (see Table 3). It was not possible to identify where they source all their produce from if it is not from their own farms. Whilst not exhaustive and whilst not all businesses feed into the public sector procurement chain, this selection of businesses adds further useful information to our analysis of what kind of private sector actors play a significant role in Bristol's city region food system.

Suppliers of services such as maintenance or consumables are discussed briefly in section 5.7 but this research did not attempt to explore that angle of the supply chain or private sector.

Table 2: Overview key suppliers to the two main public procurers in Bristol

	Supplier 1	Supplier 2	Supplier 3	Supplier 4	Supplier 5	Supplier 6	Supplier 7
Unitary authority	Somerset	South Gloucestershire	City of Bristol	City of Bristol	City of Bristol	North Somerset	North Somerset
Sector	Dairy	Dairy	Meat	Frozen, chilled, ambient food	Fruit & vegetables	Bakery goods	Dairy
Turnover	£2.5 million	£6.5 million	£20 million	£19.5 million	£11 million	£3.7 million	£1.5 million
Ownership	Privately owned (family)	Privately owned (family)	Privately owned (family)	Privately owned (one person)	Regional franchise of global public limited company	Privately owned (family)	Privately owned (2 partners)
Management	Family-run	Family-run	Family-run	Non-owner management	Regional branch manager	Family-run	Managed by one partner
Staff	26	Not known	130 to 140	100+	80 staff	Not known	14
Established in the	1920s	1970s	1930s	1960s	1990s	1920s	1990s
Business focus	Farming, processing, distributing, marketing	Farming, processing, marketing	Processing and distributor to catering sector – national	Regional wholesaler to the catering sector (90%)	Regional wholesaler with food services focus	Manufacturer, distributor, own brand, regional/national focus	Regional wholesaler to local authorities
Market outlets	Over 350 retail and commercial customers and 2,300 doorstep deliveries	3,500 independent outlets such as tourist attractions	NHS, local authorities, national contract caterers, train companies, etc.	Public procurers, private businesses (mainly caterers, some retailers)	Public procurers, restaurants, care home, nurseries, etc.	200/250 outlets, hospitals, schools, universities, independent and small retailers	Schools mostly, council homes, pre-schools, playgroups, nursing homes
Farming	Yes	Yes	No	No	No	No	No

The role of private sector in the Bristol (UK) city region food system

	Supplier 1	Supplier 2	Supplier 3	Supplier 4	Supplier 5	Supplier 6	Supplier 7
Processing	Yes	Yes	Yes	No	No	Yes	No
Wholesaling	Yes, small-scale	No	Yes	Yes	Yes	Yes	Yes
Distribution	Own distribution with 10 vehicles in operation	Some locally	Own distribution with 30 vehicles in operation	Own distribution	Own distribution	Own distribution	Own distribution
Produce from the city region	100%	70% (50% from own farm)	70%**	Not available	20% in value (30% volume)	not available	not available, 100% from SW
Sales within the city region	90%	25% (+ 50% in the SW region)	30%	Not available	85%	60%	100%
Sales public procurement*	20%	Not available	20% (1% to NBT)	Not available	Not available	Not available	Majority

*Not just NBT/Eden Foodservices

** does not mean all of that is from farms in the region

Table 3: A selection of suppliers who are based in the city region and supply one of the key suppliers presented in Table 2

	Supplier 8	Supplier 9	Supplier 10	Supplier 11	Supplier 12	Supplier 13	Supplier 14	Supplier 15	Supplier 16
Unitary authority	Somerset	Somerset	South Gloucestershire	South East Wales	Somerset	Somerset	South Gloucestershire	North Somerset	Oxfordshire
Sector	Dairy	Dairy	Meat	Meat	Meat	Eggs	Bakery goods	Dairy	Flour
Turnover	£200 million +	£64 million	£38 million		Not known	Not known	£2.8 million	£25 million	£13.65 million
Staff		190	49		Not known	Not known			55
Ownership/management	Family owned	Family run	PLC with share capital	Family run	privately owned by two partners, family run	Family run	Family run	Family run	Family run
Established in the	1960s	1960s	1960s	Not known	1980s	1980s	1980ss	1950s	1910s
Business focus	Processing, branded products	Processing, branded products	Processing, retail focus, export	Public sector supply		Farm, packing, distribution	Processing,	Processing, retail focus, export	
Market outlets	Multiple retailers	Multiple retailers						Multiple retailers, local sales	
Primary production	Yes	Yes	Yes	No	No	Yes	Yes	Yes	
Processing	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Supplier to	Supplier 7	Supplier 4	Supplier 3	Supplier 4	Supplier 3	Supplier 4	Supplier 2	Supplier 6	Suppliers 4 & 6

5.3 Type of supplier business

We identified four key types of suppliers amongst NBT's and Eden Food Services' city region supply chain. The definition given is purely based on the examples of businesses from this case study.

It is useful to use the EU definitions⁶ as a reference point for business size, though our categories fall somewhere in between the definitions below:

- Micro business: less than 10 employees & turnover under £2 million
- Small: less than 50 employees & turnover under £10 million)
- Medium: less than 50 employees & turnover under £10 million

Small farm-based processors

These are farm businesses that developed their own processing and developed their own markets. With a turnover of £2.5 to £6.5 million they employ 20+ staff and are privately owned and run by the family. Their sales focus is on independent retail outlets, home delivery and tourist attractions for example. Public procurement markets are a significant part of their business but they do not rely on those. Produce comes from their own farm or is largely sourced locally. The majority of sales come from within the city region or South West region. When they supply the public procurement market they either supply direct or use a regional wholesaler.

Medium-scale processors and distributors

These are processors of medium scale with a turnover of ranging from £4 million to £20 million. They are businesses that are owned by a family and managed by family members of the third and fourth generation. Staff numbers are under 150. Historically these businesses sold their own products through one or two retail shops, then expanded through focussing on city region sales and are now operating on a regional and national level serving the catering and retail sector. The city region accounts for 30 to 60% of all sales achieved across 200 to 250 outlets. They aim to source locally as much as possible. When they supply the public procurement market they are direct suppliers and use their own distribution.

Medium-scale wholesalers

These are wholesalers whose turnovers range from £1.5 to 19.5 million with staff numbers ranging from 14 to 100+. They are privately owned by one or two partners or are a regional franchise business. They have a regional focus and either specialise in one food category or specialise in the catering sector and carry a wide range of foods. When they supply the public procurement market they are direct suppliers and use their own distribution.

Large processors

These businesses have a turnover of £38 million to over £200 million. They can be privately owned, family run or be a PLC with share capital. A large proportion of their milk and livestock is sourced from farms in the city region and the South West but their markets are

⁶ http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index_en.htm

national or international. They have been established in the 1960s and the majority of sales come from supplying multiple retailers and their intermediaries or from export. When they supply the public procurement market they do not do so direct: they supply one of the medium-scale processors or wholesalers, who in turn supply the caterers or supply other catering suppliers.

5.4 Common characteristics amongst CRFS supplier businesses

North Bristol NHS Trust and Eden Foodservices are two of the biggest public procurement buyers in the Bristol city region. We have interviewed the majority of their direct suppliers of produce from the city region and from our analysis, we present common characteristics that the majority of those direct suppliers share.

1. Small to medium size enterprises
2. Ownership: family run, run by a small partnership or have sole owners
3. Affinity with the region and pride and passion in running a family business
4. Control of their own markets
5. Wide range of skills within the family-run business
6. Volume and traceability
7. Flexibility
8. Human scale of operation
9. City region markets

Small to medium size enterprises

The businesses who are supplying the two procurers that we have highlighted in this case study mostly fit the definition of small to medium size enterprises, i.e. under 250 employees and under 50 million Euro.

Three exceptions (processors with £38-200+ million turnover) are all suppliers to one of the small to medium sized direct suppliers that we have featured. These three medium to large enterprises primarily focus on supplying multiple retailers and their intermediaries or they have a strong export focus.

One of the meat businesses commented that *'The 1980's & 90's, EU legislation around meat and abattoirs led to larger and fewer processors. Processors edge towards larger scale producers, generally not the smaller scale producers. It is all to do with volumes and scale.'*

Ownership, management and longevity

Of the businesses that are key city region suppliers of the two major public procurement buyers in Bristol, 6 out of 7 businesses are owned by a family or are owned by one or two partners.

The most common trait amongst all 16 direct and indirect suppliers that we have featured in this report is that they are run as a family business or by one of the owners. This applies to 80% of the businesses, including two of the medium to large processors.

Four processors – all family businesses – were founded in the 1910s, 1920s or 1930s and are now run by the third and fourth generation with several family members still involved in production, processing, marketing and in charge of overall management. Two of the large

scale processors, also family run businesses, have established their processing units in the 1960s but their families have farmed in the area in one case for 150 years, in another going back 400 years. Half of the businesses have been established latest in the 1960s. Two of the wholesalers respectively have had just one Managing Director over the last 26 years.

Affinity with the region and pride and passion

All interviewees commented one way or another on their affinity to the region or strength of feeling about the family business, illustrated by the selection of quotes from owners/managers below:

- 'I am Bristol born and bred.'
- 'The family members in the business have all grown up with it and there is a lot of pride and pure passion for continuing the family business. We think we have survived this long because of the service we are able to provide particularly to buyers in the region.'
- 'This represents the toil and triumphs of our family.'
- 'The third and fourth generation are now farming, with all the passion and care that comes with a deep affinity to the land.'

Control of their own markets

Own processing: All the processors that we interviewed had the resources and ability within the family business to develop from initially sole farm production or basic processing/retailing to complex million pound businesses that cover production, processing, marketing and for most of them distribution too. Some of them also developed very effective brands. One dairy business comments: '*We are unique in that we have the farm, we do the processing and the distribution.*' Another dairy business makes the point that: '*Every process from cow through to cone is carried out on the farm itself – that's something very few ice cream companies can say.*'

Own distribution: Own distribution is seen as crucial by most suppliers to serve such a contract. Timing is crucial particularly with short-life products and suppliers feel they must have control over delivery times and reliability. For example, one farm-based processor that trades short shelf life product has its own distribution and delivers 5 days/week. This allows them to deliver reliably but most importantly it allows a significant amount of flexibility. Order/delivery lead times are very short and they can be amended at short notice if orders needed to be increased, decreased or amended. This is a factor that was evidenced by other city region suppliers with their own distribution too.

Range of sales: Sales to NBT or Eden Food Services are important for all businesses that we interviewed but whilst they all very much value the contract the majority of businesses don't depend on it as they have built up wide-ranging sales, including in some cases other significant hospitals' or schools' related contracts in the city region.

Choice not to sell to the national retailers: All of the suppliers, except the three large-scale processors focus on supplying independent retailers and food service outlets, including public procurement. For some businesses, like two farm-based processors that we interviewed, this was a deliberate and business-defining choice. Both owners feel strongly that they would be 'squashed' if they sold to the multiple retail sector. As one owner says: 'at a time when 300 dairy farms go out of business every year we probably wouldn't be around anymore if we didn't have our own retailing business' (i.e. if they didn't supply independent retailers, home delivery and public procurement sector).

Wide range of skills within the family-business

One of the dairy processors pointed out '*in the 1920s there was no milk marketing board and every farmer had to sell their own produce*'. In their case the second generation saw his dad being a great farmer but not enjoying contact with customers. It was the woman in the family who had an eye for numbers and was great with customers so she developed the retail side of the business, which set the business on a very different path to the majority of dairy farms in the region. They are now one of the few dairy businesses in the city region that has the processing, distribution, volume, quality and skill to supply into the city's public sector trade.

Volume and traceability

Suppliers have all pointed out that they can only serve these contracts because they have the volume, traceability and audits to meet the procurers' requirements. This was echoed by one of the procurers who said, for that type and size of market (public procurement contracts) you need suppliers who are able to meet the significant volume and audit requirements. Conversely, one of the wholesalers pointed out: '*you cannot do local anymore if you are too big.*' This suggests that there is a specific scale (in the case of public sector procurement in Bristol it is small to medium size) that is best suited for city region system supply.

Flexibility

Tailored products: One business reports that they are unique in the region because of their ability to address allergen concerns and providing packaging solutions suitable for hospital requirements in regards to disease control. Another business reported that they developed specific (simpler and cheaper) packaging for the hospital product to meet the required price point.

Service: Processors who run their own distribution have highlighted how they are able to support their buyers by offering much shorter lead times and increased flexibility when compared with the service from national providers. They also deliver 5 or 6 days/week. Both procurers commented on their appreciation of their city region/regional suppliers' flexibility. 'Within the local (i.e. SW) supply chain we are a big fish, our local chain is much more flexible but we do need to understand their restrictions too.'

Human scale

One of the interviewees put the subject of scale succinctly: 'the bigger you are the less able you are to do local' and 'if you are too big then you are run by accountants'.

Another supplier points out that: 'we tend to work with owner-driven businesses as I prefer to work with businesses where we can communicate directly with the boss and make something happen rather than having to work with the "professional" buyers'. One of the wholesalers commented that they like to deal with local businesses as it means less travelling, stronger relationships and bespoke services.

City region markets

The processors all aim to source as much of their ingredients from the city region. This is an obvious and economic choice in the dairy and meat sector with the prominence of those sectors in the South West. The veg and fruit sector has the lower proportion of city region produce amongst our interviewees.

The majority of city region suppliers also sell the majority of their outputs in the city region. It would appear that the smaller the business, the higher the proportion of sales in the city region.

The Bristol city region was historically the main focus for most of these businesses. This was an obvious choice due to the central role of the city and the size of the market it provides. *'It is on our doorstep'* as one of the interviewees said.

5.5 Challenges for CRFS suppliers

The interviews highlighted a number of challenging issues in terms of maintaining or increasing city region trade. *'Local ticks boxes for awards but the reality is much harder'*.

Food service is a notoriously low price market and other markets that these (processing) businesses engage in allow higher prices either because the business can sell a premium brand or can sell direct to consumers.

The key restricting factors such as lack of demand, price pressure and requirements for consistency were cited by a number of interviewees. A range of practical and logistical challenges was also raised.

Challenging issues in maintaining and increasing city region supplies include the following:

1. Price pressure
2. Demand and wider use of the Catering Mark
3. National scale catering companies
4. Consistency
5. Distribution
6. Lack of direct relationships between procurers and suppliers
7. Audit requirements
8. Availability of city region produce
9. Volumes

Price pressure

All interviewees, procurers and suppliers, have highlighted the price sensitivity of these contracts and have cited price pressure as the key challenge for a city region supplier. One important issue limiting the price competitiveness of regional small to medium size operators (compared to products from global players) is likely to be volumes and economies of scale. Other issues that could influence price competitiveness might be national animal welfare requirements, climatic conditions, staff costs, the use of sustainable farming practices and many more factors. These points are outside the scope of this research but it would be worthwhile to explore this issue in more depth.

One supplier adjusted to the price pressure by developing a bespoke catering mark product with cheaper packaging and a simpler recipe. The product that was developed specifically for NBT (lower price point and cheaper packaging) supported further sales in other hospitals in the South West region.

Another key supplier highlights how the Catering Mark scheme in principle is very helpful and procurers use it for their PR and for strengthening their tenders but *'that does not mean the buyer won't squeeze prices and make it difficult to fulfil the contract.'*

Demand and wider use of the Catering Mark

As always, demand is a restricting factor. One of the processors commented that 'other than increasing demand nothing else is holding back increasing regional supply apart from our choice not to sell to (multiple) retailers'. (This study did not attempt to delve into reasons for and against selling to the retail sector.)

There is definitely scope for wider adoption of the Catering Mark in the city region. However, whilst one supplier suggested that more government departments based in Bristol should adopt the Catering Mark to increase demand for city region products, another supplier has experience of the difficulties in accessing those contracts if you are a city region supplier. So work with the Catering Mark needs to go hand in hand with more work to connect in city region suppliers.

National scale catering companies

There are additional challenges with regard to sourcing practices where national scale catering companies are contracted.

Nominated suppliers & EU legislation: Universities, for example have a dedicated national caterer and you have to be one of the nominated suppliers to supply local/regional products. Nominated suppliers are limited to 4 businesses and it is difficult to become one of those. Even if you do, EU legislation may limit how much can be traded.

External local sourcing services: Another example is the Ministry of Defence (MoD) unit at Bristol Abbeywood. All demand for local products there is served by Enterprise Foods Ltd, a national organisation based in Scotland. Anecdotal evidence from one of the interviewed supplier businesses suggests that even if you manage to become a local supplier in your region for Enterprise Foods Ltd, volumes can be very small and you don't have the opportunity to work with the end customer directly to adjust your products and grow your sales.

Changing contracts with national catering businesses: A recent change in contract caterers (national catering business) for the MoD unit also resulted in a reduced product range and thereby further reducing sales for one of the city region supplier businesses from our case study. Bristol Zoo provides another example where signing up to a national catering business resulted in loss of trade for a previous local supplier.

Competition from national frozen catering suppliers: Procurers don't always see the opportunities for cost reductions through saving on freezer space when contrasting offers for fresh produce from city region suppliers who can deliver 5 or 6 times/week.

Consistency

Expectation from catering staff can be an issue when supplies deviate from the standard national catering products. In one example the procurer had to educate the catering staff about a new milk product from a city region supplier that had a higher and seasonally varying cream content.

One interviewee explained this restricting factor as follows. '*In this market it is all about portion control, consistency and price: that's difficult with local suppliers.*' And as a practical example: '*If you supply pizza express they will expect consistent product for portion control and exactly the same product if you are in Falmouth or Aberdeen. You cannot do that with local suppliers.*'

Distribution

Some suppliers have mentioned that distribution can be challenging, particularly given the location of NBT's Southmead hospital. It is located in the middle of a built up area and therefore deliveries before 7am are not possible. This proves challenging for suppliers in terms of trying to avoid the traffic in a city like Bristol (normally deliveries are made throughout the night).

Lack of direct relationships between procurers and suppliers

One direct supplier reports that dealing with a purchasing consortium rather than as previously working direct with the catering manager creates problems due to reduced ability to adjust to relatively small suppliers, for example by working with complex contracts that encompass non-food items. Negotiations are also harder due to a more anonymous approach (i.e. dealing with a consortium with sole focus on price rather than dealing with a partner who is able to appreciate the opportunities and challenges of a farm-based local supplier). Auditing requirements also changed with the consortium taking over, resulting in potentially additional cost to the suppliers. Although this has now been resolved the requirements for specific audits and potential lack of acceptance of equivalence checks from existing audit schemes could restrict the recruitment of further suppliers from the city region.

Audit requirements

One of the wholesalers identified that having to deal with lots of different accredited products e.g. Farm Assured, Red Tractor, Organic, British Retail Consortium Global Standards (BRC), Marine Stewardship Council (MSC) fish, STA-audited for NHS – makes their system more complex and adds cost. Other suppliers have also mentioned the additional cost and time requirements or challenges around getting equivalence checks from their existing audit schemes accepted.

Availability of city region produce

Availability of city region produce was not seen as a limiting factor in the fruit and veg, dairy and meat sector. In the case of meat and dairy, the city region produces a significant amount. In the case of fruit and vegetables, there are plenty of wholesalers based in the city region, though as previously discussed, fresh produce may be nationally sourced or imported. One of the catering wholesalers, however, thought that there are not many more food and drink manufacturers they can go to for local products. The reason for this is that land in the Bristol city region is expensive; it's very costly to build and set up a new business, so new manufacturers are choosing to locate in Wales where they get assistance with set up.

Volumes

Typically, smaller volumes tend to be problematic for larger companies, based on economies of scale. In the case of meat, increasing costs faced by processors (abattoirs) have led to the smaller ones closing and the surviving larger ones working more with larger scale producers. Higher volume processing systems find it difficult to accommodate smaller scale supply. For example with organic meat supply, the processor/distributor that we interviewed explained that when only small volumes of organic meat are ordered it makes carcass balance more difficult. If the whole carcass cannot be sold as organic then it is not cost effective to do any. Scaling up volumes and supply of organic meat is really difficult, regardless of where it originates. Costs increase because the processor/distributor has to

order organic poultry and beef a week in advance of the order going out in order to work with the suppliers have small volumes and require notice to slaughter. This means that the caterers also have to order ahead of time.

5.6 What is required to maintain and increase city region supplies?

The points below have been drawn from the interviews with the city region suppliers and their public sector-related buyers. This section sets out a range of influences on city region supply including policy drivers, consumer interest, market responses, supply chain relationships and the role of pioneers.

Policy change

Image 10: Bristol City Hall



Photographer: James Barke

Influence of Local Authority policy

The clearest instrument here is food procurement tender specification. One of the procurers highlighted that: 'the drive for change came from the Local Authorities requirements and as a business you also have to be able to respond to it.' They also pointed out the cultural change: 'If you make it a requirements in the tenders then you will pull through major cultural change and make it the norm.'

A supplier suggested that: *'The Local authority can help by encouraging wholesalers to carry local products but price is key. Local products have to be competitive and good quality. The local authority can help by putting emphasis in contracts on local and Bristol have done well*

to “positively discriminate”. (EU regulations specifically don’t allow the use of the word ‘local’ but as already explained the Catering Mark can bring an emphasis to this, and the Social Value Act is another useful framework to use, with an emphasis on supporting the local economy.)

Influence of policy instruments

The development and impact of the catering mark has been discussed in detail previously and that it can be viewed as a policy instrument. This section presents feedback from the supplier businesses that we have interviewed. Wholesalers who specialise in the catering/public procurement sector are obviously well aware of the Catering Mark accreditation scheme and the impact it has had.

A wholesaler that started listing products from the city region in response to a public procurement buyer’s request said: *‘The catering mark is definitely the driver. With tenders you have to offer the cheapest price so up until the catering mark standards were adopted no one bothered with the other elements. Often the amount of local product increases during the process of contract management as the caterer decides to do more. The catering mark has changed the direction of our business and in some respects has enabled us to grow.’*

Interestingly, some suppliers, such as farm-based processors were not aware of the Catering Mark despite the fact that the demand for their product has directly arisen due to the requirements of the Catering Mark. Other suppliers, such as two of the wholesalers, had contracts to supply public procurers in the Bristol region prior to the Catering Mark’s development.

Another business remarked that whilst the Catering Mark has been great, in the meat sector it is the Red Tractor (RT) scheme that has been more significant due to its uptake by the supermarkets and has therefore become mainstream. Now the vast majority of the UK meat supply chain is RT accredited. This meat wholesaler is seeing some interest for Catering Mark compliant products from customers who previously only sought out Red Tractor meat. However, it is only at silver level standard that the catering mark requires local suppliers (which can be locally based meat processors without the requirement to actually source the meat from local farms).

Consumer perception and interest

A supplier business suggests that it is not government policy that drives change but consumer interest instead. *‘Government is not usually good at making things happen. It is customers who really drive the change and we have seen a huge change over the last three decades in people’s awareness and interest as to where the food is coming from.’* This view is supported by one of the procurers who in observing the changing customers’ expectations started to review their supply chain model a decade ago, in advance of the Food for Life school programme and Catering Mark pilot projects. A meat supplier adds that over the last 10 years they have seen even national catering businesses requesting UK products as a norm.

One supplier suggests: *‘that the West Country is ideally set to promote itself. For example the recent Great Western Railway’s claim that ingredients are sourced “15 miles from the track” shows a strong bias for products sourced in the West Country’.*

Chefs and restaurant trade

One of the wholesalers highlights how the restaurant trade is a key factor in driving local sourcing in their case; *'Chefs in the Bristol region are driving change with their demand for produce with provenance and story, they are often very pro-active and interested. So if we buy some produce from local growers for the restaurant trade and go and collect then by default we buy for other customers from those local growers too if that meets that customer's requirement or not.'*

Another business states: *'you need the decision makers to know you. If the local chef in a pub moves in he'll take your business with you and old place will carry on. Then you have two pubs. But it takes a hell of a long time.'*

Image 11: Blackboard at Yurt Lush café, Bristol



Photographer: Jane Stevenson

Demand from major city region buyers

One of the suppliers said that, 'obviously, if there is demand and if the price works (local) is the simple answer. In the meat sector there is not much demand or potential.' NBT's example, with 25% of their annual food budget spend on suppliers from the city region, shows the potential impact a wide adaption of increased local supply could have on the city region. Demand from major buyers can be met by city region processors and wholesalers who in turn would increase their sourcing from the indirect suppliers further down the chain.

Local 'activists' and pioneers

The meat processor that we interviewed highlighted how one of the pioneers of improving school meals in the UK (Kay Knight in South Gloucestershire) succeeded in getting the local Member of European Parliament on board and South Gloucestershire Council. The processor worked closely with that team to devise menus that enabled them to supply meat of better standards and provenance whilst meeting the price requirements.

Traditional relationships and economic sense

The meat processor highlights how local supply chains make economic sense due to shorter trips and ability to backhaul on return journeys, all leading to time and costs savings, reduced carbon footprint and increased efficiency. The meat processor also pointed out that many of their relationships with local suppliers are long-standing ones where trust has been built up over many years.

As one of the wholesalers pointed out: *'It makes sense (to buy from city region growers) when produce is in season and if the price is competitive'.*

Demand

One of the suppliers said that, 'obviously, if there is demand and if the price works (local) is the simple answer. In the meat sector there is not much demand or potential.' NBT's example, with 24% of their annual food budget spend on suppliers from the city region, shows the potential impact a wide adaption of increased local supply could have on the city region. Demand from major buyers can be met by city region processors and wholesalers who in turn would increase their sourcing from the indirect suppliers further down the chain. Those businesses further down the chain might require support with the challenges that we have presented in this report (for example availability of suitable processing, distribution, audit requirements, price).

5.7 Impact of city region food systems – anecdotal evidence

Local employment

The businesses that we interviewed employed between 14 and 130 staff. One business has labour costs of approximately £500k/year, and most staff live locally. Another business discussed how a local authority contract allowed them to employ older drivers for that particular contract as the requirements for delivery times were more flexible and physically less demanding.

Looking at two examples of farm-based processors, due to the diversity of enterprises from farming, processing, distributing to marketing, these businesses each with over 20 staff both compare with an average dairy farm of similar size which might employ as few as one or two members of staff (anecdotal evidence).

Obviously the public procurement contracts are just a part of a wide range of customers and outlets but all businesses stated that public sector food procurement-related trade is a significant part of the sustainability of their business and therefore their ability to provide secure local employment.

One of the farm processors reports that they are the biggest employer in the food sector in the surrounding 10 parishes and they have a lot of food businesses in their area. They employ 26 staff, some of whom have worked for the business for more than 30 years and they have generally a very low turnover of staff.

One of the wholesalers highlights that they have seen a direct impact of listing one of the city region suppliers. Their supplier has expanded as a consequence of the public procurement trade. Through buying local the public sector procurer had an impact on the local economy through supporting local employment.

There is also local employment that depends on city region trade linked to the local suppliers and service providers of the supplier businesses.

Impact on the suppliers' suppliers

Other businesses in the city region benefit from city region trade in two ways.

An outlet for produce

The farm-based and other processors that we have interviewed all aim to source as much as possible locally. One business stated that they source produce from local farms to the value of approx. £50k/year. Two of the processors reported that they source 70-75% of their ingredients from a 50-mile radius.

Local service providers

A number of local trades people benefit from thriving food-processing businesses, particularly farm-based ones who are most likely to use rural service providers and therefore offer vital business. Service providers that benefit in such cases range from maintenance for vehicles, machinery, buildings and processing equipment as well as consumables such as containers, labels, packaging materials. Further purchases include fuels, oils, etc. In one case those services amount to £500k/year, an important contribution to rural communities. It is assumed that the majority of local trade service providers are small businesses or 'one-man-bands'.

Quantified evidence

The recent Food for Life Programme evaluation report (Soil Association, 2016) highlights a social return of £4.41 for every £1 invested. One anecdotal example from this case study shows how a £100k contract with a farm-based processor represents 10% of that business' trade. This business in turn spends £500k on local staff and £500k on local services. The contract with the public procurer provides an important element of inherent support that the featured supplier business provides to the local economy and to the local community.

Environmental benefits

One farm-based processor runs the farm organically aiming for self-sufficiency as a major goal. Minimising environmental footprint and the embrace of green energy developments are characteristic for the farm. Measurements include wood pellet boiler, solar panels, borehole and a heat recovery system.

One of the wholesalers stated that sourcing locally helps them to address environmental concerns, which are often mentioned in tenders.

One processor (who we have not interviewed) is known to have a strong environmental ethos and currently operates their fleet of vehicles on 'Euro 4-6' engines (6 is the highest current level in clean engines). Waste is also recycled as much as possible.

Opening up new markets

One farm-based processor reports that the NBT trade has given them credibility with other prospective customers. Additional contracts followed with some community hospitals in the city region, most likely helped by the reputation of the NBT connection.

One of the wholesalers reported that listing catering mark equivalent products (that they had to develop for NBT) makes it easier to approach prospective public procurement buyers.

Efficiency

Two processors report benefits around volume and efficiency. For one business NBT provides a market during otherwise low seasonal sales, for another it provides a volume outlet that allows further smaller sales in the city region by justifying new a distribution route.

Reduced waste

There is an assumption that the much reduced lead times that most city region suppliers offer should lead to lower waste. Lead time is the time required between order and delivery. With the national caterers lead time tends to be quite long so it's hard for the buyer to forecast demand correctly. Local suppliers are able to take orders significantly closer to the delivery time and they can deal with amendments at very short notice.

One interviewee cited an example of much reduced waste through shorter lead times in the different sector that he supplies. It would be interesting to investigate if city region supplies in Bristol's public procurement sector lead to lower waste. If that was the case this is another factor that should be factored into contract negotiations.

6. Summary and conclusions

Following an explanatory overview of the Bristol city region food system and the Food for Life Catering Mark, this study has investigated three main angles in relation to the role of the public sector in Bristol's city region food system (CRFS):

- Exploring extent of use and role of the Catering Mark in the Bristol city region food system by the public sector
- Extent and impact of city region (local) supply by two of Bristol's largest public sector institutions, North Bristol Health Trust and Eden Food Service
- The types of city region businesses that are supplying food to these two public sector institutions.

Using this information, the study has gained insights into the following key research questions.

- Types of roles in developing CRFS
- Types of private sector actors involved with city region food supply to the public sector
- Motivations for business involvement in the CRFS
- Support needs of businesses to maintain and increase this involvement
- The policy environment needed to encourage this involvement
- The potential for more private sector actors to play a role in the Bristol CRFS.

In its analysis of findings the study has also sought to identify what business and policy environments can help to engage the private sector in building the Bristol city region food system.

1. Types of actors and roles in public sector food provision

There are a wide range of actors and roles in relation to public sector food provision.

Food supply actors: Within the Catering Mark accredited public sector food procurement process, the immediate players are Soil Association's Catering Mark staff team; NBT catering team; Eden Food Service Catering team and the contracted suppliers (private sector businesses that supply food – farm based processors, urban processors, wholesaler-distributors).

Food culture actors: Beyond the immediate task of supplying and preparing food, there are wider non-private sector players who also play important roles in managing and improving processes around quality and provenance of food supply and who establish a particular food culture with specific values. These include the procurement officers of Bristol City Council that manage the school meal contract with Eden; the BCC Public Health officers that support work on healthy eating in schools and have also supported work in relation to food procurement contract specifications and adoption of the Catering Mark; 'client' school communities of parents and staff who have called for improved meal standards and adoption of the Catering Mark; the Senior Directors of NBT who have supported adoption of the Catering Mark by their in-house catering team.

2. Types of businesses supplying food from the city region

Analyses of businesses that supply food from the city region for both hospital and school meals have identified a significant number of shared attributes and characteristics including a certain scale of operations.

1. Small to medium size enterprises
2. Ownership: family run, run by a small partnership or have sole owners
3. Affinity with the region and pride and passion in running a family business
4. Control of their own markets and operate predominantly in the city region market
5. Wide range of skills within the family-run businesses
6. Ability to meet requirements for volume, traceability and audits
7. Offer flexibility to their buyers
8. Predominance of 'human scale' supply chains.

3. Motivations for business involvement in the city region food system

From the supplier perspective the most obvious motivation is price and demand. *'It makes sense (to buy from city region growers) when produce is in season and if the price is competitive'*.

Other key reasons are the longevity of relationships that have been built up over many years; clear provenance and traceability; shorter trips and time savings. These factors are all part of maintaining a competitive and viable business.

4. The case for using public sector procurement to accelerate city region supplies

The catering teams that were interviewed for this study highlight that they are responsible for spending tax payers' money and they believe that it is a good thing to re-invest in the local economy where possible and to 'give something back to the community'. This research highlighted anecdotal evidence how the public sector contracts often support diverse, small to medium scale enterprises. Examples from this research show that these enterprises have the potential to offer more employment and they are also likely to procure significant services (maintenance, machinery, farm inputs) from the local area, thereby further supporting the local economy. This research highlights how public sector food procurement is a significant part of the sustainability of the city region supplier businesses and therefore their ability to provide secure local employment.

Based on data from the Soil Association Catering Mark team, there is scope for further improvements and local sourcing by the current total of 45 Catering Mark award holders in the South West region, 31 of which are in Bristol city region (West of England). If 20 have already gained gold standard, this suggests that at least 25 institutions could make further improvements. However we can also see from the case studies that even with gold, there is scope for further local and organic sourcing, given the will, the costs and the availability. There is also scope for more school, hospital and care home caterers to adopt the catering mark. It was beyond the scope of this study to quantify numbers.

5. Addressing support needs

The main driver for substantial supply from city region suppliers into the city region is the demand from key buyers. As outlined the public sector can play a leading role and there is significant potential to increase public procurement from the city region. Demand from buyers results from the interest and demand of consumers and a supportive policy

environment. For city region suppliers to fulfil city region demand a number of factors such as access to suitable processing facilities and distribution may need to be addressed.

Addressing the following specific needs would contribute to increased supplies from the city region.

Public sector buyers: There is huge potential to replicate the successful adaptation of the Food for Life catering mark standards across Bristol's public organisations. Buyers who are not yet sourcing from the city region may need help in understanding the options available around contract specification and contract management, the availability of products, the businesses that can help them with sourcing and the case for doing it. It would be helpful in follow up research to fully understand specific challenges and needs in the Bristol region.

Suppliers: Having access to suitable processing is crucial in enabling city region suppliers to meet and develop local market demand. Existing facilities and businesses should be supported and gaps in provisions of services may need to be established.

Recognition of the importance of wholesalers: Wholesalers and distributors are often overlooked in discussions about the food system but they are key players in the case of supply to the public sector and potentially offer a scale of operation where impacts can be felt at a city region level.

Business values: Given that there appear to be specific values and approaches held by the types of businesses involved in city region food supply, it is helpful to help the progressive and emerging companies sustain their founding values as they grow. As examples from this research shows contracts with city region public sector buyers can add to the sustainability of businesses in the city region.

Facilitation: Two of the core direct suppliers that we have interviewed were neither pro-actively considering the public procurement market in Bristol nor were they aware of the Catering Mark developments. The relationship was instigated in one case by a wholesaler and in the other case by the independent Soil Association team. Independent brokerage and the sharing of market intelligence can accelerate developments towards a sustainable CRFS.

6. The Policy Environment needed to encourage more CRFS involvement

Food for Life Catering Mark CM): The CM, although it is not a legal requirement, is surprisingly effective. It is a well tried, well-structured and strong policy mechanism and it has become instrumental in changing industry norms in the catering sector, particularly in the public procurement sector. It gives everyone involved a reason to make a change. However there appears to be a 'grey area' in the CM standards. The case study suggests that procurers can interpret 'local' regionally based suppliers without the requirement for supplies from further down the supply chain, particularly raw material such as meat and milk for example to be sourced from the region. This issue could be addressed in the silver and gold standards of the CM but more importantly initiatives to support sustainable CRFS should encourage procurers to request pre-dominant city region supplies throughout the whole supply chain.

Red Tractor: This serves for the moment as a proxy accreditation for British produce, developed by the food industry and is therefore a useful accreditation requirement in relation to provenance in catering contracts. It has become the 'norm' in the retail sector and now in the catering sector, thus becoming a powerful driver of change with regard to sourcing of British produce.

Social Value Act: This act now serves as a strong validation for procurement officers to consider local sourcing. It was beyond the scope of this study to investigate the extent to which procurement officers are making use of it as they write new contract specifications and justify the inclusion of the Catering Mark accreditation or indeed any other local food procurement contracts.

Recommendations to local authorities

Public investment in CRFS: Where there is public money, it should be required to benefit the local economy using the policy support framework of the social value act; Red Tractor; the local act; the Catering Mark. If the North Bristol Health Trust can spend a quarter of its annual food budget on products sourced and purchased from the city region, so can others.

Role of 'voluntary' mechanisms: These can be very helpful tools for local authorities to use, especially now that they are becoming 'industry norm'. In this case, top-down policy is only (a small) part of the story. Driving a cultural shift using policy instruments from within the 'industry' is clearly effective. The Catering Mark is voluntary but has been promoted to great effect, in line with public opinion and national campaigns.

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