



House of Commons  
Environment, Food and Rural  
Affairs Committee

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**Public Sector  
Procurement of Food**

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**Sixth Report of Session 2019–21**

*Report, together with formal minutes relating  
to the report*

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## The Environment, Food and Rural Affairs Committee

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### Contacts

All correspondence should be addressed to the Clerk of the Environment, Food and Rural Affairs Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 1119; the Committee's email address is [efracom@parliament.uk](mailto:efracom@parliament.uk).

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## Summary

With an annual spend of around £2 billion, public procurement of food and catering services represents a significant lever for the Government to drive its agenda on food production standards, animal welfare, sustainability and support for domestic producers. We were surprised and disappointed to find that this lever has not been used more effectively. The Government must lead by example in setting high standards for food procurement.

Defra's 2014 Plan for Public Procurement contained commendable ambitions and launched updated standards through a new balanced scorecard, but these were not matched by a similar, longer-term effort on delivery. Instead, food procurement standards, even where compulsory, have been poorly monitored and enforced. It is therefore difficult to evaluate how successful they have been. The Government Buying Standards for Food and Catering (GBSF) should be compulsory across the public sector in England, and the Government should review whether the balanced scorecard should be made similarly mandatory too.

In some areas, such as animal welfare and climate, the GBSF need updating to reflect that consumer preferences and political priorities have changed. The Government intends to publish a White Paper in response to the National Food Strategy. The Government should set out a plan to update the GBSF, and the nutrition standards it consulted on in 2019, as part of this White Paper, by the end of this year.

The exemptions to meeting UK legislative standards on food production and animal welfare in the GBSF should be removed. As well as sending the wrong message about the importance of such standards, it is inappropriate for the Government to advocate high food production standards for imports in future trade deals when any part of our public sector is exempt. The loophole, even if rarely used, must be closed.

Being part of the EU was not as significant a barrier to supporting British producers as was frequently implied. For many years, the Government simply did not make enough effort to support greater public sector market access for domestic suppliers. We are hopeful that the tide is now turning. In particular, the Future Food Framework must not be further delayed, as it will provide valuable lessons in how to support local, smaller suppliers while ensuring value for money in public procurement.

# 1 Background

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1. Public sector bodies, such as hospitals, schools, prisons and government departments, spent an estimated £2.4 billion on procuring food and catering services in 2010.<sup>1</sup> Around £1 billion was the cost of food and ingredients.<sup>2</sup> There has recently been more focus how we use public procurement of food, with the 2019 Conservative Party manifesto stating that “when we leave the EU, we will be able to encourage the public sector to ‘Buy British’ to support our farmers and reduce environmental costs”.<sup>3</sup> Part Two of the National Food Strategy, expected in spring/summer 2021, will recommend “what the government can do to ensure that the food the state pays for directly—for example in schools, hospitals, prisons, and in government offices—is both healthy and sustainable”.<sup>4</sup> In March 2021, the Trade and Agriculture Commission, set up to advise Government on future trade agreements, recommended that the UK Government reviewed the public procurement plan for food.<sup>5</sup>

2. We launched our inquiry into public sector food procurement in June 2020, with the following terms of reference:

- a) How effective have current food procurement rules been at achieving environmental outcomes, encouraging healthy eating and supporting local suppliers, including small and medium-sized enterprises (SMEs)?
- b) What impact have Defra’s 2014 Plan for Public Procurement and the Government Buying Standard (GBS) had, and how could they be improved?
- c) How much flexibility will the UK have to change food procurement rules outside the EU?
- d) What should the Government’s priorities for future food procurement be? How should the Government support these priorities in the negotiation of new trade deals?
- e) To what extent should the public sector be encouraged to “buy British”? What are the advantages and disadvantages of such an approach?<sup>6</sup>

We received over 50 written submissions and held three oral evidence sessions including witnesses from procuring organisations, suppliers and the Government. We would like to thank everyone who contributed to our inquiry, which we hope will inform and influence both the Government and National Food Strategy.

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1 Department for Environment, Food and Rural Affairs ([PRO0037](#))

2 Department of Health and Social Care, [The Government Buying Standards for Food and Catering Services \(GBSF\): updating the nutrition standards](#), (May 2019), p7

3 The Conservative and Unionist Party Manifesto 2019, [Get Brexit done: Unleash Britain’s Potential](#), p42

4 National Food Strategy, [National Food Strategy: Part One](#), (July 2020), p8

5 Department for International Trade, [Trade and Agriculture Commission: Final Report](#), (March 2021)

6 Environment, Food and Rural Affairs Committee, [Public procurement of food: Could the UK do better?](#), 18 June 2020

## 2 Food procurement standards

3. Food procurement rules, and standards in particular, can be used as a lever to achieve many different outcomes. The Department for Environment, Food and Rural Affairs (Defra) considered that food procurement should provide value for money while also ensuring “high standards of production, animal welfare, traceability and sustainability to support our agricultural industry”.<sup>7</sup> In 2013, the School Food Plan estimated that “we have a school food service that feeds 3.1 million children a day”, and highlighted the importance of good nutrition for children.<sup>8</sup> After schools, the NHS is the next largest public spender on food, and a 2020 independent review of hospital food emphasised nutrition and sustainability standards, particularly reducing the carbon footprint of the NHS.<sup>9</sup> Food and mealtimes can play other important roles, for example in prisons, where they are not only a social focal point in the day, but “may improve outcomes for incarcerated people and help correctional administrators to maximise the health and safety of individuals”.<sup>10</sup>

4. According to the Government, inconsistent procurement standards and approaches mean that the public sector fails to use its “purchasing power” and “fails to give a clear and consistent signal to the market of what it’s looking for”.<sup>11</sup> Suppliers may then “perceive the public procurement process to be confusing”, which “makes it difficult for new entrants and SMEs to access the market”.<sup>12</sup>

5. The Government stipulates that all UK Government departments must comply with Government Buying Standards (GBS) when buying goods and services, including the Government Buying Standards for Food and Catering (GBSF).<sup>13</sup> Defra stated that “all central Government departments and their agencies, including procurement bodies for prison, armed forces and the NHS must comply with the GBSF”.<sup>14</sup> The wider public sector in England, such as local government, is also “encouraged to apply these standards”.<sup>15</sup> Having these “baseline” standards “assists public sector procurers in buying food and catering services that are nutritious and sustainably produced, achieving real value for money”.<sup>16</sup>

6. The GBSF includes both mandatory and “best practice” standards on: production, processing and distribution; animal welfare; environment; variety and seasonality; nutrition; resource efficiency; and social-economic considerations.<sup>17</sup> They cover for example, use of sustainable palm oil, reduction of food waste and the inclusion of small and medium enterprises (SMEs).<sup>18</sup> These standards should be included by procurers in “tender specifications and contract performance conditions”.<sup>19</sup>

7 Department for Environment, Food and Rural Affairs ([PRO0037](#))

8 Henry Dumbleby and John Vincent, *The School Food Plan*, (July 2013), p15

9 Department of Health and Social Care, *Report of the Independent Review of NHS Hospital Food*, (2020), p63

10 HM Inspectorate of Prisons, *Life in prison: food*, (July 2016), p3–4

11 Department for Environment, Food and Rural Affairs, *A Plan for Public Procurement*, (July 2014), p9

12 Department for Environment, Food and Rural Affairs, *A Plan for Public Procurement*, (July 2014), p9

13 Gov.uk, *Sustainable procurement: the GBS for food and catering services*, July 2014

14 Department for Environment, Food and Rural Affairs ([PRO0037](#))

15 Department for Environment, Food and Rural Affairs ([PRO0037](#))

16 Department of Health and Social Care, *The Government Buying Standards for Food and Catering Services (GBSF): updating the nutrition standards*, (May 2019), para 1.7

17 Gov.uk, *Sustainable procurement: the GBS for food and catering services*, July 2014

18 Gov.uk, *Sustainable procurement: the GBS for food and catering services*, July 2014

19 Gov.uk, *Sustainable procurement: the GBS for food and catering services*, July 2014

7. In 2014, Defra published *A plan for public procurement: food and catering*, which set out how the Government could “improve procurement of sustainable food in the public sector” and “support opportunities for British grown and processed produce”.<sup>20</sup> As well as revising the GBSF “to strengthen the commitment to buy to UK standards of production (or equivalent) and to ensure that procurers or catering companies have systems in place to check on the authenticity of food”, it introduced a “balanced scorecard” tool.<sup>21</sup> The balanced scorecard would help buyers balance “straightforward criteria, such as cost” against “more complex criteria” such as sustainability in production, resource efficiency and social-economic value.<sup>22</sup> According to the Government, the balanced scorecard means that “bidders can be rewarded for operating to higher standards where it is economic to do so, yet procurers are not forced to adopt such measures”.<sup>23</sup> Essentially, the balanced scorecard “combined mandatory requirements” from the GBSF with “other criteria (award criteria) which will be used to assess letting contracts for public procurement”.<sup>24</sup> The balanced scorecard is mandatory only for central government departments.<sup>25</sup>

8. In addition, some public sector organisations apply additional standards and requirements. For example, the Food for Life Served Here (FFLSH) award was launched in 2009 by the Soil Association as “a framework to be used by caterers to demonstrate how the food they serve is sourced, cooked and promoted”.<sup>26</sup> The Government explained that:

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.<sup>27</sup>

According to the Soil Association, “over 2 million meals are served each day to Food for Life standards, including in roughly 50% of English primary schools, over 50 NHS hospitals and over 50 universities”.<sup>28</sup>

9. In addition, legislation on School Food Standards, covering most state schools in England, came into force in 2015, and set out which types of food and drink should be

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20 Gov.uk, [Food buying standards for the public sector: The Plan: toolkit](#), July 2014

21 Department for Environment, Food and Rural Affairs, [A Plan for Public Procurement](#), (July 2014), p12

22 Gov.uk, [Food buying standards for the public sector: The Plan: toolkit](#), July 2014; Gov.uk, Department for Environment, Food and Rural Affairs, [A Plan for Public Procurement: Food & Catering: Balanced scorecard for public food procurement](#), (July 2014)

23 Department for Environment, Food and Rural Affairs, [A Plan for Public Procurement: Food & Catering: Balanced scorecard for public food procurement](#), (July 2014), p4

24 Department for Environment, Food and Rural Affairs, [A Plan for Public Procurement: Food & Catering: Balanced scorecard for public food procurement](#), (July 2014), p4

25 Soil Association ([PRO0001](#))

26 Soil Association ([PRO0001](#)) para 1

27 Department for Environment, Food and Rural Affairs, [A Plan for Public Procurement: Food & Catering: Balanced scorecard for public food procurement](#), (July 2014), p6

28 Soil Association ([PRO0001](#)) para 1 (a)

served by which types of schools.<sup>29</sup> In 2014, hospital food standards became mandatory in the NHS in England.<sup>30</sup> The *Independent review of NHS hospital food* was published in October 2020 and is awaiting a Government response.<sup>31</sup>

## Compliance and monitoring

10. Bristol City Council stated that the impact of the GBSF had been “limited” as “they are voluntary (for non-central Government departments) and ‘nice to have if we have time’”.<sup>32</sup> In addition, “apart from the initial launch in 2014 there has been little impetus from the Government to drive their use to achieve a genuinely better and balanced approach to procurement”.<sup>33</sup>

11. The lack of monitoring of compliance with the GBSF was heavily criticised by the Soil Association, Food Foundation and Consensus Action on Salt, Sugar and Health.<sup>34</sup> Consensus Action on Salt, Sugar and Health explained that “there has not appeared to have been any monitoring put in place by the Government to ensure the mandatory standards are being followed, and no penalties if these targets aren’t adhered to”.<sup>35</sup> The following examples were provided, potentially indicating a widespread lack of compliance with standards:

- A 2019 investigation by the Soil Association found an increasing number of schools were non-compliant with the School Food Standards, including an estimated 60 percent of secondary schools;<sup>36</sup> and
- In 2017, “6 years after the GBS was implemented, and 2 years after it was made legally binding for NHS trusts to follow”, Patient-Led Assessments of the Care Environment (PLACE) found that half of hospitals were not complying with the GBS mandatory standards.<sup>37</sup> A more recent estimate is that in 2019, “around 90% of sites were compliant with each of the food standards measured by PLACE data” although there were concerns about the quality of the data.<sup>38</sup>

The Soil Association considered that, as a result of “inadequate or no government monitoring”, it was “difficult to assess how effective current food procurement rules and practices have been”.<sup>39</sup> Sustain explained that “public sector organisations should know whether the company they intend to employ has a track-record of compliance with food standards” as “this will raise standards overall, ensure a level playing field, and ensure better value for money for the taxpayer”.<sup>40</sup> Ruth Westcott, Sustainable Fishing and Climate Co-

29 Made SIs: The Requirements for School Food Regulations 2014 ([SI 2014/1603](#)); the School Food Standards apply to: all local authority maintained schools; pupil referral units; academies that opened prior to 2010; academies and free schools with agreed funding from June 2014; and non-maintained special schools, see School meals and nutritional standards (England), Briefing paper [SN04195](#), House of Commons Library, January 2021, p7

30 Department of Health, *Compliance with hospital food standards in the NHS: Two years on: a review of progress since the Hospital Food Standards Panel report in 2014*, (January 2017), p1

31 Department of Health and Social Care, *Report of the Independent Review of NHS Hospital Food*, (2020)

32 Bristol City Council ([PRO0022](#))

33 Bristol City Council ([PRO0022](#))

34 Soil Association ([PRO0001](#)), Food Foundation ([PRO0033](#)), Consensus Action on Salt, Sugar and Health ([PRO0008](#))

35 Consensus Action on Salt, Sugar and Health ([PRO0008](#)) para 1

36 Soil Association ([PRO0001](#)) para 1 (b)

37 Consensus Action on Salt, Sugar and Health ([PRO0008](#))

38 Department of Health and Social Care, *Report of the Independent Review of NHS Hospital Food*, (2020), p59

39 Soil Association ([PRO0001](#)) para 1 (b)

40 Sustain ([PRO0032](#)) para 18

ordinator at Sustain, highlighted a campaign where Sustain had “worked over the last six or seven years to get the fish standards, which first came out in the Government buying standards in 2011, adopted as far as possible across the food service”.<sup>41</sup> She explained that “where there is a level of transparency [...] some follow-up and accountability, and a level of monitoring, those standards have been very well adopted” and that there had been “a transformation in the supply chain over to verifiably sustainable fish being the norm”.<sup>42</sup>

12. With regard to who should monitor compliance, Rob Percival, Head of Policy at the Soil Association, stated that “Ofsted should have an enhanced role” over whether schools were “fulfilling [their] responsibilities with respect to school food”, given that “school governors already have a statutory responsibility to gather evidence of compliance with the school food standards”.<sup>43</sup> He pointed out that “Scotland, for example, has a separate set of nutritional standards for schools that are inspected annually [...] which means that there is a far higher level of compliance in Scotland”.<sup>44</sup> Rob Percival added that “similarly, the leadership teams in NHS trusts should be held to account for their statutory responsibilities” and suggested that “there should be penalties for non-compliance, including lack of access to key funding”.<sup>45</sup> Kirstin Morris, Category Development Lead, NHS Supply Chain: Food, stated that “the lack of detailed monitoring and compliance with the hospital food standards”, which incorporate the GBSF, had been “picked up in the hospital food review”.<sup>46</sup> The review recommended that “the Care Quality Commission start to include more monitoring of hospital food standards and the parts within it, as part of its assessments within hospitals”.<sup>47</sup>

13. As mentioned previously, the Balanced Scorecard was introduced in 2014 to encourage buyers to operate to higher standards than the GBSF. There was widespread support for the Balanced Scorecard and its objectives.<sup>48</sup> However, as with the GBSF, there is little data on how often the Balanced Scorecard is used.<sup>49</sup> The Soil Association advocated making it compulsory across the public sector, and Rob Percival from the Soil Association explained that it would also mean “clear benefits for British farmers, more money channelled into spend on UK produce and a higher quality of environmental and animal welfare standards assured”.<sup>50</sup> He suggested that “it needs to stop becoming a secret” and be made mandatory first, then compliance and monitoring could be addressed.<sup>51</sup> The Soil Association estimated that making the Balanced Scorecard mandatory for all public procurement would “channel an additional £200 million per annum into British produce, while also delivering environmental and social benefits”.<sup>52</sup> Ruth Westcott from Sustain clarified that this would not require a “tranche of new money” but was “money that we are already spending” to deliver “a certain number of meals per year”.<sup>53</sup> The Independent Review of Hospital Food similarly recommended mandating use of the balanced scorecard

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41 [Q2](#)

42 [Q2](#)

43 [Q21](#)

44 [Q13](#)

45 [Q21](#)

46 [Q65](#)

47 [Q65](#)

48 For example, The Soil Association ([PRO0001](#)), Action on Salt & Action on Sugar ([PRO0008](#)) and NFU ([PRO0029](#))

49 For example, Dr Adrian Morley ([PRO0027](#)) para 3

50 Soil Association ([PRO0001](#)) [Q4](#)

51 [Q4](#)

52 Soil Association ([PRO0001](#))

53 [Q17](#)

across the NHS and stated that “NHS trusts should strongly consider acquiring a suitable accreditation in line with their style of service”, such as the Food for Life Served Here award.<sup>54</sup>

14. We heard little evidence opposing making the GBSF and balanced scorecard mandatory across the public sector. However, Andy Jeffery, Farrington Farms, explained that there was a cost associated with achieving higher standards, for example:

when we were looking to supply locally into the public sector, there was an expectation that we would meet the SALSA [Safe & Local Supplier Approval] requirements.<sup>55</sup> I pay £400 a year to the Soil Association to meet its standards and to be inspected every year. SALSA was going to cost us another £635.<sup>56</sup>

He stated that “if the Government are asking for food standards, it has to be realistic and to a level that a lot of farmers will be able to reach”.<sup>57</sup> He considered that “it is pointless doing it to the very highest base level; otherwise virtually all farmers will be excluded from it and they will not be able to supply”.<sup>58</sup> Pelican Procurement Services cautioned that “institutions are also sometimes unprepared for the costs and logistics involved with implementing new sustainability measures (e.g. composting bins/compostable cups etc.) and are unable to proceed when these parameters become apparent due to their weightings on price”.<sup>59</sup> It explained that “price is often weighted at 60% or more of the scoring” in tenders.<sup>60</sup> The Soil Association suggested that, instead, there should be “a weighting of at least 60 percent on quality relative to cost”.<sup>61</sup> The 2020 Independent Review of Hospital Food made a similar recommendation for a 60:40 split in favour of quality for NHS food and catering services.<sup>62</sup> The balanced scorecard simply encouraged procurers to “give sufficient weight to quality”.<sup>63</sup> The weighting of cost and quality is further addressed in the next chapter.

15. Victoria Prentis MP, Parliamentary Under Secretary of State at Defra (hereafter referred to as the Minister), considered that “the real problem with [the GBSF and balanced scorecard] is not whether they are mandatory; it is whether they are actually enforced”.<sup>64</sup> The support for using existing inspection bodies to monitor compliance with standards was echoed by the Minister, who expressed support for independent audits, including the recommendation that “the Care Quality Commission do an audit on hospital food”.<sup>65</sup> She stated that “at the moment, in the middle of the pandemic, we are not going to be able to have the bandwidth to do real change and get a whole new army of enforcers out there”.<sup>66</sup> She explained that “in DEFRA we do an annual survey of Government Departments;

54 Department of Health and Social Care, *Report of the Independent Review of NHS Hospital Food*, (2020), p64

55 Safe and Local Supplier Approval ([SALSA](#)) is a food safety certification scheme specifically designed for small and micro-sized food and drink businesses

56 [Q55](#)

57 [Q55](#)

58 [Q55](#)

59 Pelican Procurement Services ([PRO0013](#))

60 Pelican Procurement Services ([PRO0013](#))

61 Soil Association ([PRO0001](#))

62 Department of Health and Social Care, *Report of the Independent Review of NHS Hospital Food*, (2020), p68

63 Department for Environment, Food and Rural Affairs, *A Plan for Public Procurement: Food & Catering: Balanced scorecard for public food procurement*, (July 2014), p4

64 [Q99](#)

65 [Q103](#)

66 [Q103](#)

some of the responses we get are excellent and some are not” and added that “this is the area we really need to focus on”.<sup>67</sup> Although the Minister frankly acknowledged that Government data was “really not good enough” and that the Government lacked good information on public procurement spend, she advocated a somewhat softer approach of “nudging, encouraging, advertising and showing”.<sup>68</sup>

16. When pushed further on how monitoring of compliance should take place, she responded that it was expected to form part of the National Food Strategy and that “I hope that one of the things we will learn from the future food framework is that independent audit is very much part of the way forward”.<sup>69</sup> The Future Food Framework is covered in the next chapter. Defra also stated that it was “working to improve how we can measure and evaluate GBSF compliance by central Government departments and their agencies via the Greening Government Commitment annual survey”, which “collects information submitted and reviews the measures taken to reduce impacts on the environment”.<sup>70</sup>

**17. It is essential that the Government sets buying standards for public procurement of food in order to achieve value for money and ensure that high quality food, produced to high standards, is served by public bodies. However, standards are only effective if they are followed, and currently we do not have a clear picture of how frequently and effectively the Government Buying Standards for Food and Catering (GBSF) are being followed by public bodies. There is no coherent system for monitoring compliance where public bodies are mandated to follow the GBSF. This means that food supply chains cannot normalise around one set of baseline standards. *A responsibility for monitoring compliance should be emphasised to or placed on existing inspection bodies, such as Ofsted (for schools) and the Care Quality Commission (for NHS Trusts), rather than creating new structures for inspection. These data should be reported to Government. Where such inspection bodies do not exist, Defra must gather data on compliance with the GBSF and the Balanced Scorecard through annual surveys, as it already does for government departments. It should publish the results of these surveys and name Departments that are not meeting the standards or fail to respond adequately to surveys.***

**18. *The Government should make adherence to the GBSF mandatory for the public sector in England. We are supportive of proposals that the balanced scorecard should also be mandatory across the public sector, particularly for the NHS in England, but we have concerns that this may have adverse impacts on smaller suppliers who may not be able to afford the accreditation and certification required. Defra must gather evidence from Government departments and their suppliers on the effectiveness and impact of the balanced scorecard since 2014 and review whether to make the balanced scorecard mandatory. At the very least, the balanced scorecard needs to be better promoted by the Government.***

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67 [Q102](#)

68 [Q102](#)

69 [Q103](#)

70 Defra ([PRO0037](#))

## Changes to the GBSF

### *Exemptions to meeting UK standards*

19. The GBSF states that “all food served must be produced in a way that meets UK legislative standards for food production, or equivalent standards”.<sup>71</sup> However, it continued:

If in any particular circumstances, this leads to a significant increase in costs which cannot reasonably be compensated for by savings elsewhere, the procuring authority shall agree with the catering contractor or supplier to depart from this requirement and the reasons for doing so shall be noted and recorded. This decision shall be signed off by the Head of Procurement or equivalent senior official of the government department or other public body.<sup>72</sup>

A similar exemption was provided for animal welfare standards, where the GBSF added that in the eventuality of departing from legislative requirements, “EU standards shall be met at minimum”.<sup>73</sup>

20. David Bowles, Head of Public Affairs, RSPCA, considered it “ironic that Parliament has been advocating ensuring that the Government meet their manifesto commitment of not having lower animal welfare standards and produce coming in from free trade agreements, while their procurement rules allow them to go for lower animal welfare standards than the legislation”.<sup>74</sup> Ruth Westcott, Sustain, explained that it was a matter of practicality as well as principle:

If you are producing food for the public sector, and you know your competitors can produce to a lower standard and it can still be accepted, there is no incentive to produce a higher standard. We need that incentive. On a practical level, especially for the SMEs that work in the supply chain in the UK, without that certainty they cannot invest.<sup>75</sup>

Both witnesses told us that consumer choice through labelling was not a solution, as the origin of food served by the public sector was generally not labelled.<sup>76</sup>

21. We wanted to determine how often these exemptions had been used in practise. David Bowles, RSPCA, told us that “because there has been no review, we have not had much transparency and we know very little about what the impact of that [exemption] is”.<sup>77</sup> He stated that “we know very little about where the Government get their food for their procurement” and that some may come from Europe where some countries “are farming at lower standards than the UK”.<sup>78</sup> Rob Percival, Soil Association, stated that “when schools or hospitals in public settings come into the Food for Life scheme, where

71 Department for Environment, Food and Rural Affairs, [A Plan for Public Procurement: Food & Catering: Balanced scorecard for public food procurement](#), (July 2014), p1

72 Department for Environment, Food and Rural Affairs, [A Plan for Public Procurement: Food & Catering: Balanced scorecard for public food procurement](#), (July 2014), p1

73 Department for Environment, Food and Rural Affairs, [A Plan for Public Procurement: Food & Catering: Balanced scorecard for public food procurement](#), (July 2014), p2-3

74 [Q7](#)

75 [Q10](#)

76 [Q9-10](#)

77 [Q7](#)

78 [Q7](#)

the baseline requirement at the bronze tier is that all meat is farm-assured [...] and eggs are free range, [...] a lot of the animalbased produce being served is not from the UK and is quite plausibly from lower-standard systems”.<sup>79</sup> He considered that “these loopholes are entirely unhelpful”.<sup>80</sup>

22. We heard a slightly different story from procuring organisations. Howard Stevenson from the Yorkshire Purchasing Organisation (YPO), which procures food on behalf of a group of local authorities, stated that YPO had never used the exemption, nor been asked to by a local authority.<sup>81</sup> Kirstin Morris from NHS Supply Chain: Food concurred.<sup>82</sup> Both witnesses, as well as Jason Swettenham from HM Prison and Probation Service agreed that the exemptions to meeting UK legislative standards should be removed.<sup>83</sup> We found no support for the exemptions in the evidence we received.

23. We put our concerns about this issue to the Minister, who responded that:

this was a clause that was put in in about 2011 at the request of the MoD [Ministry of Defence]. It concerned eggs and bacon, basically; it was pork products and eggs, which the MoD needed to buy to feed its personnel in continental Europe. [...] That was because it was difficult to procure the products to the extra UK standards wherever they were stationed, because they were not in the UK.<sup>84</sup>

She told us that the MoD was “not seeking that exemption again when we review the GBSF this year”.<sup>85</sup> As for how frequently this exemption had been used, Defra stated that “the reasons for not applying UK welfare standards must be recorded and signed off by a senior official in the organisation concerned” but that Defra did not “collate this information centrally”.<sup>86</sup> Defra considered that “gathering retrospective contract information from 2015 to present across the entire public sector would unfortunately be very time-consuming”.<sup>87</sup> However, it was “not aware of any current examples of this derogation being used, in any public sector setting”, including the MoD, since 2015.<sup>88</sup>

**24. There is no reason for the Government Buying Standards for Food and Catering (GBSF) to contain exemptions to meeting food production and animal welfare standards set in legislation on the basis of cost. There are suspicions that public bodies procuring and serving food in the UK are using these exemptions and that they are disincentivising food suppliers from investing in food produced to high standards. However, it was difficult to find any data proving this, and we accept that gathering such data retrospectively would be unnecessarily time-consuming. Where meeting UK food production and animal welfare standards in supplying overseas military and diplomatic operations would be prohibitively expensive, the Government should make exceptions on a case-by-case basis only if it is satisfied that every effort has been made**

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79 [Q8](#)

80 [Q8](#)

81 [Q66](#)

82 [Q66](#)

83 [Q70](#)

84 [Q114](#)

85 [Q114](#)

86 Defra ([PRO0059](#)) para 2

87 Defra ([PRO0059](#)) para 2

88 Defra ([PRO0059](#)) para 2

*to meet UK standards. In such cases, every effort should be made to meet equivalent standards. Such exceptions should not be an option for UK-based public procurement and therefore the scope for them should be removed from the GBSF immediately.*

### **Animal welfare and sustainability**

25. In addition to requiring all procurement to meet UK legislative requirements on animal welfare, there were calls for the GBSF to go beyond the baseline. The RSPCA stated that the GBSF had “not kept pace with the changing consumer market”, giving the example of eggs, where the guidance “is simply not to use the conventional battery cage which has been illegal in the UK (and the EU) since 2012”.<sup>89</sup> Production of non-caged eggs in the UK was “over 55%” and “set to rise as retailers move to cage free eggs by 2025”.<sup>90</sup> As such, the GBSF represented “less than half the eggs produced in the UK and cannot really be called baseline let alone aspirational”.<sup>91</sup> The RSPCA also considered standards for meat to be “weak”, asking “only that it should be baseline and show country of origin”, despite the reality being that “the majority of meat is already produced under farm assurance schemes”.<sup>92</sup> The RSPCA suggested that the GBSF should specify that “a percentage of meat and meat products are RSPCA Assured as a minimum and all are farm assured”.<sup>93</sup>

26. Another area where witnesses suggested the GBSF were outdated was with respect to achieving sustainability and climate change ambitions. Sustain called for an overhaul of the GBSF and other standards “to ensure that the nation’s public health, inequalities, sustainability, climate change and biodiversity agendas are served”.<sup>94</sup> It called for all standards to be “‘net zero emissions proofed’ as a matter of urgency, as per the government commitment to net zero emissions”.<sup>95</sup> Sustain also suggested that meals should reflect the “One Planet Plate, and the recommendations of the Eating Better Alliance”, which would mean, for example, “reducing meat and buying smaller amounts of pasture-fed, higher-welfare and free range meat, dairy and eggs” and “more fruit and vegetables, which would be a valuable boost to the UK horticulture sector”.<sup>96</sup> Others advocated more vegetarian and vegan options on menus.<sup>97</sup>

27. Lastly, there have been calls for the nutrition standards in the GBSF to be updated and draw upon the NHS Eatwell guide, which advises on how much people should eat from each food group.<sup>98</sup> In 2019, the Department of Health and Social Care (DHSC) consulted on updating the GBSF nutrition standards.<sup>99</sup> The outcome of that consultation has not yet been published.

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89 RSPCA ([PRO0020](#)) para 5

90 RSPCA ([PRO0020](#)) para 5

91 RSPCA ([PRO0020](#)) para 5

92 RSPCA ([PRO0020](#)) para 6

93 RSPCA ([PRO0020](#)) para 6

94 Sustain ([PRO0032](#)) para 23

95 Sustain ([PRO0032](#)) para 23

96 Sustain ([PRO0032](#)) para 24–26; the [One Planet Plate](#) is run by the Sustainable Restaurant Association and emphasises more veg, better meat, sustainable fish, no food waste, low carbon footprint and celebrating local; the [Eating Better Alliance](#) includes over 60 civil society organisations and promotes less and better meat consumption and more plant-based eating as part of healthy, sustainable diets

97 Vegan Society ([PRO0023](#)); Animal Aid ([PRO0015](#)); Vegetarian Society ([PRO0014](#)); PETA ([PRO0018](#))

98 Demos ([PRO0021](#)) para 2.2; House of Lords, Report of the Select Committee on Food, Poverty, Health and the Environment, [HL Paper 85](#), para 265; NHS, [The Eatwell Guide](#), accessed 2 March 2021

99 Department of Health and Social Care, [Updating the government buying standards for food and catering services \(GBSF\)](#) (21 May 2019)

28. Ananda Guha, Deputy Director, Food Exports, Promotion and Partnerships, Agri-Food Chain Directorate, Defra, acknowledged that the GBSF was “a document of its time” from 2011.<sup>100</sup> He explained that:

with the 25-year environment plan and other things, we are in a slightly different place. We want to make sure that we talk about sustainable food, resource usage and so forth. Our plan is for [the Department of Health and Social Care] to do the nutrition bit, notwithstanding the review we are going to do, but we want to make sure that we reflect those net zero commitments [...] it will be one of a menu of things that we will encourage procurers to look at.<sup>101</sup>

29. **The GBSF are outdated; in some areas such as animal welfare the baseline standards are lower than the industry norm. In other areas, such as how to meet net zero emission targets, they lag behind current Government ambitions. The Government should lead by example in setting high standards. *The Government should review and update the GBSF to take account of new evidence, Government commitments, industry practice and consumer preferences on nutrition, animal welfare, sustainability and climate change. This should be addressed as part of the Government’s response to Part Two of the National Food Strategy by the end of the year. Thereafter, we suggest that the GBSF are actively reviewed every five years and updated if necessary.***

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100 [Q134](#)

101 [Q134](#)

### 3 Supporting domestic producers

30. The Government stated that future policy will support its manifesto commitment that “when we leave the EU, we will be able to encourage the public sector to ‘Buy British’ to support our farmers and reduce environmental costs”.<sup>102</sup>

31. This is not a new ambition. Defra’s 2014 Plan for Public Procurement aimed to “ensure that public sector procurement of food and catering services maximises the health outcomes of those people affected by it, in a way that boosts support for a vibrant and competitive UK food and farming sector, and which delivers the best value per pound spent”.<sup>103</sup> The Plan “took inspiration and methodology from the procurement and engagement activities used by the Olympic Delivery Authority”, which “delivered outstanding and best value outcomes for the project, primarily from British companies who, through innovation, were best able to compete”.<sup>104</sup> The National Farmers’ Union (NFU) stated that domestic procurement was “at the centre of sourcing policies” when sustainability was prioritised, and that:

The London Olympics is a clear example of when the supply chain came together to serve home-grown food and drink, making higher standards mandatory, not aspirational. To do this, events, catering, and hospitality firms signed up to a food charter backing local, seasonal, healthier, and sustainable food.<sup>105</sup>

Similarly, the Dynamic Food Procurement National Advisory Board considered that mandating high welfare and sustainable procurement “will drive market development for British farmers who often lose out in Public Sector food markets as the relative weightings given to quality and price of goods have favoured in recent years reducing costs”.<sup>106</sup>

32. The other advantages of “buying British” cited in the evidence we received included:

- Increased “resilience in food supply chains to disruption from system shocks such as trade disputes, extreme weather, labour shortages, and the effects of global events as witnessed during COVID-19”;<sup>107</sup>
- Reduced food waste, particularly by using fruits and vegetables, of which £6.4 billion’s worth were imported in 2019, while an “unconscionable amount [...] is lost in the supply chain, particularly [...] due to farmers facing pressure to over-produce to meet the [cosmetic standards] requirements of supermarket contracts”.<sup>108</sup>

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102 Department for Environment, Food and Rural Affairs ([PRO0037](#))

103 Department for Environment, Food and Rural Affairs, [A Plan for Public Procurement](#), (July 2014), p 4

104 Department for Environment, Food and Rural Affairs, [A Plan for Public Procurement](#), (July 2014), p 5

105 NFU ([PRO0029](#))

106 Dynamic Food Procurement National Advisory Board ([PRO0003](#)) para 4

107 Dr Neil Boyle and Dr Maria Anna Corvaglia, University of Leeds, Dr Rachel Marshall and Dr Rebecca Whittle, University of Lancaster, FeedBack, North Lancashire’s Sustainable Food Partnership and FoodWise Leeds ([PRO0019](#)) para 5

108 Dr Neil Boyle and Dr Maria Anna Corvaglia, University of Leeds, Dr Rachel Marshall and Dr Rebecca Whittle, University of Lancaster, FeedBack, North Lancashire’s Sustainable Food Partnership and FoodWise Leeds ([PRO0019](#)) para 5; Department for Environment, Food and Rural Affairs, [Horticulture Statistics 2019](#) (16 July 2020), p 7

- increased “awareness of the benefits and acceptability of prioritising seasonal food consumption”;<sup>109</sup>
- Shorter and more transparent supply chains, “removing the out-of-mind, out-of-sight approach to production methods”;<sup>110</sup> and
- The potential for British farming to “be seen as the answer to the ecological crisis” if procuring from “farms that are run to agroecological standards” and encouraging more “resource-efficient ways of production to meet demand without compromising sustainability standards”.<sup>111</sup>

33. Evidently, it would not be possible to solely procure British food, and there was some concern that a “buy British” message could be misconstrued as *only* buy British.<sup>112</sup> Other potential pitfalls of a “buy British” message cited included:

- Ambiguity, whereby “it is often assumed that it is (by default) supporting UK farmers, producers, etc” but “there are many multi-national companies that operate in the UK and produce products and services here but are not UK owned”;<sup>113</sup>
- Environmental implications, for example “British alternatives [to palm oil] such as rapeseed oil are not as high yielding so a much larger land area would be required to produce an equivalent amount of product in the UK”;<sup>114</sup>
- Reduced competition leading to “less competitive pricing for consumers, especially with reduced competition from EU suppliers”;<sup>115</sup> and
- Potentially, the large-scale producers “dominating the market to the detriment of SME producers”.<sup>116</sup>

34. However, as the Dynamic Food Procurement National Advisory Board pointed out, “there is great potential for substantial encouragement to “buy British” and increase the percentage of British produce that is consumed”.<sup>117</sup> David Bowles from the RSPCA pointed out that through provisions under the Agriculture Act 2020, the Government would “be diverting agricultural subsidies—over £3 billion-worth of food—into environmental and animal welfare type projects” and that if the Government was not prepared to encourage procurement of that food for schools and hospitals, it would demonstrate a lack of joined-up thinking.<sup>118</sup>

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109 Dr Neil Boyle and Dr Maria Anna Corvaglia, University of Leeds, Dr Rachel Marshall and Dr Rebecca Whittle, University of Lancaster, FeedBack, North Lancashire’s Sustainable Food Partnership and FoodWise Leeds ([PRO0019](#)) para 5

110 Bristol City Council ([PRO0022](#)) p 4

111 Bristol City Council ([PRO0022](#)) p 5

112 Bristol City Council ([PRO0022](#)) p 4

113 Bristol City Council ([PRO0022](#)) p 4

114 Bristol City Council ([PRO0022](#)) p 4

115 Pelican Procurement Services ([PRO0013](#))

116 Dynamic Food Procurement National Advisory Board ([PRO0003](#)) p 7

117 Dynamic Food Procurement National Advisory Board ([PRO0003](#)) p 6

118 [Q16](#)

## Leaving the EU

35. Defra explained that “current EU regulation, implemented via domestic procurement regulations, will be largely retained after the end of the Transition Period”, but that:

there will be the opportunity to forge new procurement rules. Reforms could provide procurers with more flexibility to consider the domestic growth agenda and wider social, economic and environmental outcomes. It is hoped that this will help to improve access and opportunities for British producers bidding for public sector contracts.<sup>119</sup>

36. The UK became a member of the WTO Government Procurement Agreement (GPA) as an independent party from 1 January 2021 (it previously had membership as part of the EU).<sup>120</sup> The GPA has 21 parties, including the EU and USA.<sup>121</sup> The GPA applies to procurement above defined thresholds, which, for UK goods and services, is £122,976.<sup>122</sup> Defra explained that “procurers will still need to comply with the principles and rules set out in the GPA where contracts are above the threshold, such as treating domestic suppliers no less favourably than suppliers from other GPA parties”.<sup>123</sup> However, it stated that “under the GPA there will continue to be scope to promote UK products based on their own merits”.<sup>124</sup> We heard no concerns that the GPA would have a significant effect on domestic food procurement.<sup>125</sup>

37. The Soil Association stated that “EU procurement rules were never the barrier to healthy and sustainable food procurement in the UK that they were sometimes purported to be”, and that “while restrictions were imposed on specifying local sourcing, there were no restrictions on quality measures such as organic, fresh or seasonal, all of which could act as proxy for local in practice”.<sup>126</sup> It pointed out that “the benefits delivered through Food for Life were achieved in the context of EU procurement rules”.<sup>127</sup> The Vegan Society concurred that “our collective public sector food procurement failings are primarily due to lack of political will by successive Westminster Governments, and not due to EU rules”.<sup>128</sup>

38. Dr Adrian Morley, Research Fellow at Manchester Metropolitan University, pointed out that “many countries, regions and localities across the EU have implemented sophisticated sustainability-oriented policies within the EU procurement regulatory framework”.<sup>129</sup> NFU Scotland highlighted that “regulations enacted in France put a requirement on all schools, hospitals, prisons and other state institutions to source at least 40 per cent of their food locally”, which was “expected to shorten food supply chains, stimulate local economies and halve emissions attributed to the agricultural sector”.<sup>130</sup> It

119 Department for Environment, Food and Rural Affairs ([PRO0037](#))

120 World Trade Organization (WTO), [UK and Switzerland confirm participation in revised government procurement pact](#), (2 December 2020); World Trade Organization (WTO), [Parties, observers and accessions](#), accessed 2 March 2021

121 World Trade Organization (WTO), [Parties, observers and accessions](#), accessed 2 March 2021

122 World Trade Organization (WTO), [Integrated Government Procurement Market Access Information \(e-GPA\) Portal](#), accessed 2 March 2021

123 Department for Environment, Food and Rural Affairs ([PRO0037](#))

124 Department for Environment, Food and Rural Affairs ([PRO0037](#))

125 Dr Adrian Morley ([PRO0027](#))

126 Soil Association ([PRO0001](#))

127 Soil Association ([PRO0001](#))

128 Vegan Society ([PRO0023](#))

129 Dr Adrian Morley ([PRO0027](#)) para 8

130 NFU Scotland ([PRO0004](#)) para 14

called for the Government to introduce a similar target “that applies to all public bodies as a minimum”.<sup>131</sup> Ananda Guha, Defra, explained that the French procurement system was “far more centralised” but added that:

what we can do—the French have done this—is cite things like local variety, seasonality and SMEs. These all feature in our existing Government buying standards for food and the balanced scorecard. We are looking to enhance that and make it a bit more accessible so that the takeup is greater in that. That is the kind of thing that will help us get towards something like a French-style target.<sup>132</sup>

The Minister reiterated that:

We will still be constrained by international buying rules and WTO rules on procurement. We will not be able to say, “You must buy British”, in terms, but we will be able to say, “You must buy local. You must buy seasonal. You must buy sustainably sourced. You must buy organic” [...] Those are the ways that we will encourage the uptake of food from small and medium-sized British food producers.<sup>133</sup>

39. As for how much food the UK procures from other countries, Defra stated in 2014 that “the public sector is estimated to spend about £0.6bn on imported produce”.<sup>134</sup> This is not always spent on food that cannot be produced in the UK: for example, School Food Matters pointed out that the fruit and vegetable scheme, which entitles every state school pupil aged 4–6 years to a piece of fruit or vegetable each school day, had been “undermined by revelations that 70% [of] produce is imported”.<sup>135</sup> A 2018 freedom of information request found that only 13 per cent of apples and 5 per cent of pears for the scheme were sourced from the UK, even when those fruits were in season.<sup>136</sup> The GBSF mandate that “in respect of the use of fresh produce, menus shall be designed to reflect the natural growing or production period for the UK, and in-season produce shall be highlighted on menus”.<sup>137</sup>

**40. The Government has associated leaving the EU with the opportunity to encourage the public sector to “buy British” and reduce environmental costs. It is, however, clear that even under EU rules, the UK already had opportunities to support British suppliers through proxy measures, such as specifying “local” and “seasonal” in procurement. This had the potential to provide greater environmental benefits, such as reduction of food miles. We are disappointed that those opportunities were not maximised before EU Exit and we expect the Government to make more effort in future.**

**41. The Government intends to support more sustainable land management and food production through provisions under the Agriculture Act 2020. It is therefore providing financial support for farmers who can demonstrate that they are producing food in ways that benefit the environment, enhance animal welfare and provide other**

131 NFU Scotland ([PRO0004](#)) para 15

132 [Q109](#) [Ananda Guha]

133 [Q101](#)

134 Department for Environment, Food and Rural Affairs, *A Plan for Public Procurement*, (July 2014), p 7

135 School Food Matters ([PRO0011](#)); NHS, *School Fruit and Vegetable Scheme*, (2017), p 3

136 *Fruit and veg used in scheme for English schools ‘often inedible’*, The Guardian, 27 November 2018

137 Department for Environment, Food and Rural Affairs, *The Government Buying Standard for Food and Catering Services*, (March 2015), p 4

public goods. It is therefore sensible to expect that the public sector provides a market for their produce. This is even more important at a time of disrupted trade relationships, the Covid-19 pandemic's impact on food security and the transition away from direct payments. *The public sector and its suppliers should therefore be encouraged to source primary produce from domestic producers, within current rules. The Government should review and update the GBSF to ensure that public bodies are encouraged to source local, seasonal produce. The review should also consider the benefits of setting ambitious targets for how much food should be locally and seasonally sourced, how local should be defined and how progress towards targets will be monitored. Procuring organisations and suppliers will need guidance and support about the practicalities of how to achieve this and the Government should consult them on the most effective way to implement the updated GBSF.*

### Small and medium enterprises (SMEs)

42. In 2013, the Government stated that 99.9 percent of UK businesses were SMEs, and that they were “a crucial engine for growth”.<sup>138</sup> Public sector procurement “has the potential to create significant business and growth opportunities through increased participation for small and medium sized enterprises”, as well as “improving the public sector’s access to SMEs’ creativity and innovation”.<sup>139</sup> There were “many good examples of small suppliers delivering significant benefits to the public sector through their greater innovation and at a comparatively lower cost base than large, incumbent government contractors”.<sup>140</sup>

43. Public sector food procurement is subject to the Public Contract Regulations 2015 (PCR 2015), which, according to the Dynamic Food Procurement National Advisory Board, “provide a “one size fits all” approach to all types of procurement”.<sup>141</sup> Tenders “are built around baskets of goods and anticipated quantities along with detailed item specifications” and “may be divided into lots such as frozen food, dry food, fresh meat, fresh vegetables”.<sup>142</sup> Other factors “can be built into the specification but are not often done so as there is no incentive to improve contracts beyond an absolute bare minimum”.<sup>143</sup> The Dynamic Food Procurement National Advisory Board explained that the public sector increasingly outsourced catering services, which reduced “the influence the public sector buyer has regarding environmental outcomes, encouraging healthy eating and supporting local suppliers, including SMEs”.<sup>144</sup>

44. In addition, “in most cases catering services companies will emphasise cost/price, as the buyers may have very little knowledge of other factors, or they may not consider them important”.<sup>145</sup> Price was a “key driver”, with a typical budget of, for example, “60p per pupil for school meals”.<sup>146</sup> The Soil Association stated that “the relative weightings given to price and quality in public sector catering tenders have a big impact on the quality of

138 HM Government, [Consultation document: making public sector procurement more accessible to SMEs](#), (September 2013), p 2

139 HM Government, [Consultation document: making public sector procurement more accessible to SMEs](#), (September 2013), p 2

140 HM Government, [Consultation document: making public sector procurement more accessible to SMEs](#), (September 2013), p 2

141 Dynamic Food Procurement National Advisory Board ([PRO0003](#))

142 Dynamic Food Procurement National Advisory Board ([PRO0003](#))

143 Dynamic Food Procurement National Advisory Board ([PRO0003](#))

144 Dynamic Food Procurement National Advisory Board ([PRO0003](#))

145 Dynamic Food Procurement National Advisory Board ([PRO0003](#))

146 Dynamic Food Procurement National Advisory Board ([PRO0003](#))

food provision and the benefits to British farmers”.<sup>147</sup> It called for “all public procurement decisions to place a weighting of at least 60 percent on quality relative to cost”, as opposed to the shift over recent years “towards tenders giving 60–80 percent weighting to price, effectively ensuring that the cheapest bid wins”.<sup>148</sup> Pelican Procurement Services highlighted that weighting price at “60% or more of the scoring” meant that procurement “continues to favour national suppliers, making the market less competitive for local suppliers and SMEs”.<sup>149</sup>

45. Pelican Procurement Services considered that “the idea of DEFRA’s 2014 plan for public procurement, and the balanced scorecard, to effect change through more consistent principles of purchasing, thus allowing suppliers to invest accordingly, is not happening in practise”.<sup>150</sup> This was because “smaller suppliers are not winning enough business to make the required investment, often due to price, or are ruled out in the first place as they do not have access to funds to gain assurance accreditations”.<sup>151</sup> In addition, “a consequence of the reliance on ambiguous standards is that SME’s lack resource to achieve assurance accreditations [...], effectively excluding them from public tenders”.<sup>152</sup> The collective view of Dr Neil Boyle and Dr Maria Anna Corvaglia, University of Leeds, Dr Rachel Marshall and Dr Rebecca Whittle, University of Lancaster, FeedBack, North Lancashire’s Sustainable Food Partnership and FoodWise Leeds, was that:

The contracts themselves are unwieldy and complicated, smaller businesses do not have the capacity to spend time on filling out the applications. Cash flow is also an issue - 60 day payment terms by big institutions are common, and not practical or possible for many SMEs to underwrite. The intent was good, but there has been an inherent misunderstanding of the practicalities that prevent the smaller companies from bidding, which has meant the same established large scale contractors win the bids.<sup>153</sup>

46. Bristol City Council explained that most procurement routes “close the door on suppliers once a contract is let”, meaning that “one supplier (or a very small number in a framework) can service the contract”.<sup>154</sup> However, although local, smaller suppliers “are unlikely to be able to supply everything that is asked for in a contract”, they can “provide really good seasonal quality and value for a specific product”.<sup>155</sup>

47. One procurement route is more flexible: the Dynamic Purchasing System (DPS).<sup>156</sup> DPS’s are “used across the EU in a range of non-food categories to enable Small to Medium Sized Enterprise (SME) access to public sector markets”.<sup>157</sup> With a DPS, new suppliers can join at any time and the system is completely electronic.<sup>158</sup> Dynamic Purchasing Systems

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147 Soil Association ([PRO0001](#))

148 Soil Association ([PRO0001](#))

149 Pelican Procurement Services ([PRO0013](#))

150 Pelican Procurement Services ([PRO0013](#))

151 Pelican Procurement Services ([PRO0013](#))

152 Pelican Procurement Services ([PRO0013](#))

153 Dr Neil Boyle and Dr Maria Anna Corvaglia, University of Leeds, Dr Rachel Marshall and Dr Rebecca Whittle, University of Lancaster, FeedBack, North Lancashire’s Sustainable Food Partnership and FoodWise Leeds ([PRO0019](#))

154 Bristol City Council ([PRO0022](#))

155 Bristol City Council ([PRO0022](#))

156 Bristol City Council ([PRO0022](#))

157 Soil Association ([PRO0001](#))

158 Crown Commercial Service, *The Public Contracts Regulations 2015 and The Utilities Contracts Regulations 2016, Dynamic Purchasing System (DPS)*, (October 2016)

attracted praise, for example, the Dynamic Food Purchasing National Advisory Board stated that “this approach can bring about significant benefits including improving both food sustainability and food security”.<sup>159</sup> Bristol City Council stated that it was “one method of ensuring that smaller, local suppliers who can meet other sustainability criteria, such as carbon reduction through a shorter supply chain, can be involved in the process”.<sup>160</sup> Ruth Westcott from Sustain explained that “online platforms will take a contract and break it down into smaller chunks that will allow local producers to bid”, so, for example, “you might not want to bid for the whole dairy contract for schools but you might want to produce yoghurts for primary schools”.<sup>161</sup>

48. The December 2020 Cabinet Office Green Paper on *Transforming public procurement* emphasised the Government’s desire to make it easier “for new entrants such as small businesses and voluntary, charitable and social enterprises to compete and win public contracts” and proposed “legislating for a new Dynamic Purchasing System (DPS+) that maybe used for all types of procurement (not just commonly used goods and services)”.<sup>162</sup> It also proposed “establishing a single digital platform for supplier registration that ensures they only have to submit their data once to qualify for any public sector procurement”.<sup>163</sup>

## Future Food Framework pilot

49. The South West Food Hub (SWFH) explained that, in response to Defra’s 2014 Plan, “the Crown Commercial Service (CCS) committed to introducing a Dynamic Purchasing System to allow SMEs to register for government contracts”, which was “successfully piloted on a small scale in local schools by Bath and North East Somerset Council” (BANES).<sup>164</sup> CCS then elected the South West region for a scaled-up pilot, known as the Future Food Framework pilot.<sup>165</sup> The SWFH was working in partnership with CCS to deliver the pilot.<sup>166</sup>

50. The BANES pilot “demonstrated food costs did not increase when buying from local SMEs”.<sup>167</sup> Greg Parsons, co-founder of the SWFH, told us that “there was a saving” that was “largely driven by a reduction in food miles, which, of course, reduces the carbon footprint as well”.<sup>168</sup> Andy Jeffery, owner of Farrington Farms, which participated in the pilot as a supplier of fresh produce, stated that “the only disadvantages were the paperwork and red tape involved”, with stringent pre-supply requirements compared to their usual customers.<sup>169</sup> There were, however, “lots of advantages because we were supplying the public sector” and they “knew we were going to get paid [...] on time”.<sup>170</sup> In addition, with “about 60 schools to supply”, the “volumes we were experiencing were not outrageous”.<sup>171</sup>

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159 Dynamic Food Procurement National Advisory Board ([PRO0003](#))

160 Bristol City Council ([PRO0022](#))

161 [Q43](#)

162 Cabinet Office, *Transforming public procurement*, [CP 353](#) (December 2020), p 8

163 Cabinet Office, *Transforming public procurement*, [CP 353](#) (December 2020), p 8

164 South West Food Hub ([PRO0058](#))

165 South West Food Hub ([PRO0058](#))

166 South West Food Hub ([PRO0058](#))

167 South West Food Hub ([PRO0058](#))

168 [Q52](#)

169 [Q50](#)

170 [Q50](#)

171 [Q50](#)

51. The DFP NAB explained that the pilot in the South West would build on the BANES pilot, and would offer the following advantages:

The online platform will open the supply chain to the region's food network and establish sustainable, shorter supply chains, whilst redirecting public sector food spend into the regional economy. It will give public sector buyers wider choice of options to source local fresh food. Rather than a linear supply chain where the caterer and foodservice provider limits products on offer to public sector buyers, it will allow all suppliers who meet the specification to market their products, and buyers can choose how and what they want to buy. Once supply and demand have been matched, produce will be consolidated and distributed by a regional logistics provider. The specification will have a greater focus on sustainability, seasonality, quality and welfare standards than has been previously seen in national food contracts.<sup>172</sup>

Rob Percival from the Soil Association considered that the pilot “could be transformational if it was rolled out nationally”.<sup>173</sup>

52. However, the Future Food Framework pilot has been delayed. The SWFH stated that the original plan was to “go live” in late 2020/early 2021, but that “the pilot is at significant risk due to CCS timeline slippages caused by Covid redeployment and disbanding of the original project team”.<sup>174</sup> The “latest timeline suggests that the ‘Go Live’ for the South West pilot will be delayed until [spring/summer] 2022”.<sup>175</sup> The SWFH was concerned that “delaying the procurement of the technology management agent to Q4 2021 (as proposed) causes serious existential risks to the few qualifying tech companies” and to “the continuation of the SWFH”, while there had also been “a lack of funding for the SWFH to continue the preparatory work”.<sup>176</sup> It called for additional funding, since “funds committed from regional Local Enterprise Partnerships will cease from March 2021”.<sup>177</sup>

53. The Minister expressed disappointment at the delay of the South West pilot but explained that it was due to CCS “running” the Covid-19 Test and Trace programme.<sup>178</sup> Ananda Guha from Defra clarified that after the south west pilot started in 2022, the “idea is that we have a national rollout [...] in 2023”.<sup>179</sup>

**54. SMEs have long faced difficulties in accessing public procurement opportunities. There has been some progress since Defra's 2014 Plan, but it has been slow. The pilot run by Bath and North East Somerset Council (BANES) using the Dynamic Purchasing System showed promising results, including, crucially, that local sourcing can be more cost-effective. We are satisfied that plans had been made to scale up this pilot in the south west of England, with a view to national rollout in the longer term.**

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172 Dynamic Food Procurement National Advisory Board ([PRO0003](#))

173 [Q40](#)

174 South West Food Hub ([PRO0058](#))

175 South West Food Hub ([PRO0058](#))

176 South West Food Hub ([PRO0058](#))

177 South West Food Hub ([PRO0058](#))

178 [Q107](#)

179 [Q141](#)

55. However, the south west pilot has been delayed because of the need to redeploy Government resources to deal with the Covid-19 pandemic. While this delay is understandable, there is a risk that the pilot may fail before it has even started and that investment made to date may be wasted. *Given the potential for the pilot to offer lessons on how to increase access to the public sector market for smaller, local suppliers, it should be prioritised and there must not be any further delays. The Government should ensure that the delivery bodies involved are adequately resourced and supported to continue planning for the launch of the pilot in early 2022. We also request that the Government provides a written update by the end of December 2021 on the progress of the pilot, including a confirmation of the launch date.*

# Conclusions and recommendations

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## Food procurement standards

1. It is essential that the Government sets buying standards for public procurement of food in order to achieve value for money and ensure that high quality food, produced to high standards, is served by public bodies. However, standards are only effective if they are followed, and currently we do not have a clear picture of how frequently and effectively the Government Buying Standards for Food and Catering (GBSF) are being followed by public bodies. There is no coherent system for monitoring compliance where public bodies are mandated to follow the GBSF. This means that food supply chains cannot normalise around one set of baseline standards. *A responsibility for monitoring compliance should be emphasised to or placed on existing inspection bodies, such as Ofsted (for schools) and the Care Quality Commission (for NHS Trusts), rather than creating new structures for inspection. These data should be reported to Government. Where such inspection bodies do not exist, Defra must gather data on compliance with the GBSF and the Balanced Scorecard through annual surveys, as it already does for government departments. It should publish the results of these surveys and name Departments that are not meeting the standards or fail to respond adequately to surveys.* (Paragraph 17)
2. *The Government should make adherence to the GBSF mandatory for the public sector in England. We are supportive of proposals that the balanced scorecard should also be mandatory across the public sector, particularly for the NHS in England, but we have concerns that this may have adverse impacts on smaller suppliers who may not be able to afford the accreditation and certification required. Defra must gather evidence from Government departments and their suppliers on the effectiveness and impact of the balanced scorecard since 2014 and review whether to make the balanced scorecard mandatory. At the very least, the balanced scorecard needs to be better promoted by the Government.* (Paragraph 18)
3. There is no reason for the Government Buying Standards for Food and Catering (GBSF) to contain exemptions to meeting food production and animal welfare standards set in legislation on the basis of cost. There are suspicions that public bodies procuring and serving food in the UK are using these exemptions and that they are disincentivising food suppliers from investing in food produced to high standards. However, it was difficult to find any data proving this, and we accept that gathering such data retrospectively would be unnecessarily time-consuming. *Where meeting UK food production and animal welfare standards in supplying overseas military and diplomatic operations would be prohibitively expensive, the Government should make exceptions on a case-by-case basis only if it is satisfied that every effort has been made to meet UK standards. In such cases, every effort should be made to meet equivalent standards. Such exceptions should not be an option for UK-based public procurement and therefore the scope for them should be removed from the GBSF immediately.* (Paragraph 24)
4. The GBSF are outdated; in some areas such as animal welfare the baseline standards are lower than the industry norm. In other areas, such as how to meet net zero emission targets, they lag behind current Government ambitions. The Government

should lead by example in setting high standards. *The Government should review and update the GBSF to take account of new evidence, Government commitments, industry practice and consumer preferences on nutrition, animal welfare, sustainability and climate change. This should be addressed as part of the Government's response to Part Two of the National Food Strategy by the end of the year. Thereafter, we suggest that the GBSF are actively reviewed every five years and updated if necessary.* (Paragraph 29)

### Supporting domestic producers

5. The Government has associated leaving the EU with the opportunity to encourage the public sector to “buy British” and reduce environmental costs. It is, however, clear that even under EU rules, the UK already had opportunities to support British suppliers through proxy measures, such as specifying “local” and “seasonal” in procurement. This had the potential to provide greater environmental benefits, such as reduction of food miles. We are disappointed that those opportunities were not maximised before EU Exit and we expect the Government to make more effort in future. (Paragraph 40)
6. The Government intends to support more sustainable land management and food production through provisions under the Agriculture Act 2020. It is therefore providing financial support for farmers who can demonstrate that they are producing food in ways that benefit the environment, enhance animal welfare and provide other public goods. It is therefore sensible to expect that the public sector provides a market for their produce. This is even more important at a time of disrupted trade relationships, the Covid-19 pandemic's impact on food security and the transition away from direct payments. *The public sector and its suppliers should therefore be encouraged to source primary produce from domestic producers, within current rules. The Government should review and update the GBSF to ensure that public bodies are encouraged to source local, seasonal produce. The review should also consider the benefits of setting ambitious targets for how much food should be locally and seasonally sourced, how local should be defined and how progress towards targets will be monitored. Procuring organisations and suppliers will need guidance and support about the practicalities of how to achieve this and the Government should consult them on the most effective way to implement the updated GBSF.* (Paragraph 41)
7. SMEs have long faced difficulties in accessing public procurement opportunities. There has been some progress since Defra's 2014 Plan, but it has been slow. The pilot run by Bath and North East Somerset Council (BANES) using the Dynamic Purchasing System showed promising results, including, crucially, that local sourcing can be more cost-effective. We are satisfied that plans had been made to scale up this pilot in the south west of England, with a view to national rollout in the longer term. (Paragraph 54)
8. However, the south west pilot has been delayed because of the need to redeploy Government resources to deal with the Covid-19 pandemic. While this delay is understandable, there is a risk that the pilot may fail before it has even started and that investment made to date may be wasted. *Given the potential for the pilot to offer lessons on how to increase access to the public sector market for smaller, local suppliers, it should be prioritised and there must not be any further delays. The*

*Government should ensure that the delivery bodies involved are adequately resourced and supported to continue planning for the launch of the pilot in early 2022. We also request that the Government provides a written update by the end of December 2021 on the progress of the pilot, including a confirmation of the launch date. (Paragraph 55)*

# Formal minutes

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**Tuesday 3 March 2021**

Virtual meeting

Members present:

Neil Parish, in the Chair

Ian Byrne

Mrs Sheryll Murray

Dr Neil Hudson

Derek Thomas

Robbie Moore

## **Public sector procurement of food**

Draft Report (*Public procurement of food*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 55 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Sixth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 9 March at 2.00 p.m.]

## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Tuesday 10 November 2020

**Rob Percival**, Head of Food and Health Policy, Soil Association; **Ruth Westcott**, Sustainable Fishing and Climate Coordinator, Sustain; **David Bowles**, Head of Public Affairs, RSPCA

[Q1-44](#)

### Tuesday 1 December 2020

**Andy Jeffery**, Owner, Farringtons; **Greg Parsons**, Co-Founder, South West Food Hub

[Q45-96](#)

**Howard Stevenson**, Supply Chain Manager, Yorkshire Purchasing Organisation; **Jason Swettenham**, Head of PSPI, Her Majesty's Prison and Probation Service; **Kirstin Morris**, Category Development Lead, National Health Service (Supply Chain)

[Q45-96](#)

### Tuesday 12 January 2021

**Victoria Prentis MP**, Parliamentary Under Secretary of State, Department for Environment, Food and Rural Affairs; **Ananda Guha**, Deputy Director, Food Exports, Promotion and Partnerships, Agri-Food Chain Directorate, Department for Environment, Food and Rural Affairs; **Simon James**, Director, Constitution & Borders, Department for Environment, Food and Rural Affairs

[Q97-166](#)

## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

PRO numbers are generated by the evidence processing system and so may not be complete.

- 1 Allen, Sherri ([PRO0043](#))
- 2 Andrews, Rachael ([PRO0034](#))
- 3 Animal Aid ([PRO0015](#))
- 4 Bayly, Sally ([PRO0045](#))
- 5 Boyle, Dr Neil; Dr Maria Anna Corvaglia; Dr Rachel Marshall; Dr Rebecca Whittle; Lucy Antal; Anna Clayton; and Sonja Woodcock ([PRO0019](#))
- 6 Brack, Mr Duncan ([PRO0017](#))
- 7 Bristol City Council ([PRO0022](#))
- 8 British Egg Industry Council (BEIC) ([PRO0036](#))
- 9 British Poultry Council ([PRO0031](#))
- 10 British Soft Drinks Association ([PRO0050](#))
- 11 British Veterinary Association; British Cattle Veterinary Association; British Veterinary Poultry Association; Goat Veterinary Society; Pig Veterinary Society; Sheep Veterinary Society; and Veterinary Deer Society ([PRO0007](#))
- 12 Christian Ethics of Farmed Animal Welfare ([PRO0052](#))
- 13 Compassion in World Farming ([PRO0026](#))
- 14 Consensus Action on Salt, Sugar and Health ([PRO0008](#))
- 15 Dairy UK ([PRO0012](#))
- 16 Demos ([PRO0021](#))
- 17 Department for Environment Food and Rural Affairs ([PRO0037](#))
- 18 Devon County Council ([PRO0024](#))
- 19 Dynamic Food Procurement National Advisory Board ([PRO0003](#))
- 20 ESPO Procurement service for the public sector ([PRO0057](#))
- 21 FOUR PAWS UK ([PRO0010](#))
- 22 Federation of Wholesale Distributors ([PRO0055](#))
- 23 Flynn, Mr Richard ([PRO0040](#))
- 24 Food Foundation ([PRO0033](#))
- 25 GY5 Limited ([PRO0006](#))
- 26 Humble, Miss Jessica ([PRO0041](#))
- 27 La, Miss Mandy de ([PRO0038](#))
- 28 Liverpool University Hospitals NHS Foundation Trust ([PRO0035](#))
- 29 Love British Food ([PRO0025](#))
- 30 Lubar, Katherine ([PRO0044](#))
- 31 Mclaughlin, Mr John ([PRO0039](#))

- 32 Morley, Dr Adrian ([PRO0027](#))
- 33 NHS Supply Chain ([PRO0054](#))
- 34 National Farmers' Union ([PRO0029](#))
- 35 National Farmers' Union of Scotland ([PRO0004](#))
- 36 National Pig Association ([PRO0016](#))
- 37 Noakes, Penelope ([PRO0051](#))
- 38 Pelican Procurement Services ([PRO0013](#))
- 39 People for the Ethical Treatment of Animals UK ([PRO0018](#))
- 40 Petre, Ms Francoise ([PRO0049](#))
- 41 ProVeg; and Plant-Based Health Professionals UK ([PRO0002](#))
- 42 RSPCA ([PRO0020](#))
- 43 School Food Matters ([PRO0011](#))
- 44 Seels, Mrs Gill ([PRO0042](#))
- 45 Shipp, Oly ([PRO0048](#))
- 46 Sodexo ([PRO0030](#))
- 47 Soil Association ([PRO0001](#))
- 48 Sustain: the alliance for better food and farming ([PRO0032](#))
- 49 The Association of Independent Meat Suppliers ([PRO0009](#))
- 50 The Department for Environment, Food and Rural Affairs ([PRO0059](#))
- 51 The School and Nursery Milk Alliance ([PRO0005](#))
- 52 The South West Food Hub ([PRO0058](#))
- 53 The Vegan Society ([PRO0023](#))
- 54 The Vegetarian Society ([PRO0014](#))
- 55 Tyas, Mrs Janet ([PRO0046](#))
- 56 UK Centre for Animal Law ([PRO0028](#))

## List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website.

### Session 2019–21

Number	Title	Reference
1st	COVID-19 and food supply	HC 263
2nd	Pre-appointment hearing for the Chair-Designate of the Office for Environmental Protection (OEP)	HC 1042
3rd	The UK's new immigration policy and the food supply chain	HC 231
4th	Flooding	HC 170
5th	Air Quality and coronavirus: a glimpse of a different future or business as usual	HC 468
7th	Covid-19 and the issues of security in food supply	HC 1,156
1st Special	Plastic food and drink packaging: Government Response to the Committee's Sixteenth Report of Session 2017–19	HC 207
2nd Special	Beyond the Common Fisheries Policy: Scrutiny of the Fisheries Bill: Government Response to the Committee's Eleventh Report of Session 2017–19	HC 208
3rd Special	An Update on Rural Connectivity: Government Response to the Committee's Seventeenth Report of Session 2017–19	HC 228
4th Special	Coastal flooding and erosion, and adaptation to climate change: Interim Report: Government Response to the Committee's First Report of Session 2019	HC 272
5th Special	Scrutiny of the Agriculture Bill: Government Response to the Committee's Tenth Report of Session 2017–19	HC 273
6th Special	COVID-19 and food supply: Government Response to the Committee's First Report	HC 841