

Subject:	Minimum Buying Standards for Catering Contracts		
Date of Meeting:	11 July 2014		
Report of:	Executive Director Finance & Resources		
Contact Officer:	Name:	Francesca Iliffe	Tel: 29-0486
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 Minimum Buying Standards (MBS) for catering contracts have been developed to deliver the Corporate Procurement Strategy aim ‘to ensure value for money is achieved whilst the council operates as a “responsible procurer” taking account of social, economic and environmental impacts’. Approval is sought to adopt these standards across council catering contracts.
- 1.2 Adoption of MBS for catering contracts is a target under the Food Action Plan of the City’s OPL Plan, and also: the *Procurement Strategy*; the refreshed *Sustainable Community Strategy (2014)*; and the *City Food Strategy: Spade to Spoon (2012)*.

2. RECOMMENDATIONS:

- 2.1 That Policy & Resources Committee – Agree that the proposed minimum buying standards, as set out in Appendix 1, be specified in the council’s future procurement of catering contracts.
- 2.2 Grant delegated authority to the Executive Director Finance & Resources to take all necessary measures to implement the recommendation at 2.1.

3. CONTEXT/ BACKGROUND INFORMATION

Policy Background

- 3.1 The Corporate Procurement Strategy was approved by Policy & Resources Committee on January 16th 2014. Under *Strategic Objective 4: Procurement, Diversity & Sustainability*, the Strategy committed to ‘develop, publish and where possible implement minimum food standards for all catering contracts’ between 2014 -15.
- 3.2 *Objective 4* aims to ‘fully embed the OPL (One Planet Living) objectives throughout procurement processes and procedures and work toward achievement of targets laid out in the council’s Sustainability Action Plan’.

3.3 Through these policies the council has signed up to a number of commitments to improve the food served daily to thousands of school children, clients, visitors and employees. Through the adoption of MBS, BHCC can influence and drive healthy and sustainable food production and consumption, and local economic development.

Proposed standards

3.4 Proposed MBS are attached at **Appendix 1**. These have been developed by the Brighton & Hove Food Partnership (BHFP) for the city council with funding obtained by the Partnership from the Esmée Fairbairn Foundation.

3.5 The MBS require that contracts over £75,000 per year be delivered to Bronze FFL (Food for Life) Standards as a minimum and that contracts under £75,000 be delivered to the MBS (Appendix 1) which list equivalent standards, though certification would not be a requirement.

3.6 This would require the caterer for larger contracts (over £75,000) to be working towards and achieve the Bronze FFL 'Catering Mark' standard for the catering operation during the first year of the contract. For contracts with a value under £75,000, equivalent MBS standards should be used for food procurement.

3.7 The achievement of Bronze is seen as the first step in a progressive journey to improve standards. Silver and Gold standards can be achieved by point scoring against further criteria for environmental, ethical and local sourcing; and making healthy eating easy. Criteria are set out in Section 3 'Points System, Silver and Gold' in the [FFL Catering Mark Standards Manual](#) (copies in Members Rooms).

3.8 If this policy is adopted, Brighton & Hove City Council would be the first local authority to achieve MBS across all its catering contracts.

3.9 There are currently 6 catering contracts in force between the council and external providers, with a value over £75,000. The caterers are:

- School meals: Initial Catering Services (Eden Foodservice)
- Brighton Centre: Kudos Catering
- Royal Pavilion & Museums and The Dome: Peyton & Byrne
- Meals on Wheels: RVS Food Services Ltd
- Staff and Civic canteens: Pabulum Ltd
- Hove Centre: Hardings Bar & Catering (concluding December 2014)

3.10 There are currently 12 council premises with a food spend of between £5,000 and £74,000. These include: Ireland Lodge Resource Centre; Wayfield Avenue Resource Centre; Craven Vale Resource Centre; Knoll House Resource Centre; New Steine Mews Hostel; Cherry Tree Nursery; Learning Disability Day Options; Beach House Respite Service; Roundabout Nursery; Jumpstart Nursery; Tower House Day Centre; and Acorn Nursery.

3.11 Council best practice is being led by the city's school meals contract which achieved Bronze FFL when the caterers. Eden Foodservice achieved the Catering Mark for School Meals in 2012. Every day 7,200 meals are served across 64 primary and special schools to this standard. Silver Standard is expected to be achieved by autumn 2014.

- 3.12 The Brighton Centre catering contract was awarded to Kudos in April 2014. The contract specification included requirement to achieve Bronze FFL standards 'as a minimum'. Kudos aim to achieve Bronze by the end of 2014 and will immediately seek Silver FFL, intending to achieve certification by spring 2015.

Food for Life Standards (FFL)

- 3.13 The FFL Catering Mark (www.sacert.org/catering) incorporates standards for healthy, fresh, seasonal and farm-assured food, sustainable fish, Fairtrade products, and meat and eggs produced under higher standards of animal welfare. Standards progress through Bronze, Silver and Gold for caterers to make progress over time. The FFL Catering Mark is run by the independent nongovernmental organisation the Soil Association, supported by many food, health and conservation groups.
- 3.14 The scheme is well suited to public-sector institutions who want to use a well established, respected, accredited scheme for specifying robust health and sustainability criteria in catering contracts. FFL has simple-to-communicate standards that are fast becoming an industry standard, familiar to many caterers – large and small – that serve food in the public sector.
- 3.15 FFL Catering Mark is a good way for public-sector institutions and caterers to meet health and sustainability objectives, to help build the market for caterers, farmers and fishers who produce food to high nutritional and sustainability standards, to be able to make robust claims about their progress, and to receive public recognition for doing so.
- 3.16 Evidence from the school meals service indicates that adopting Bronze FFL standards has not impacted on costs to the council. Any increased cost to the caterer has been offset by increased meal up-take.
- 3.17 Other benefits set out by the Soil Association include: school caterers report an increase in meal uptake; venues have seen an increase in footfall and meals purchased; catering staff become more empowered and engaged; the Catering Mark contributes to Corporate Social Responsibility; and caterers find that sourcing locally and cooking from scratch is cost neutral or cost beneficial. Marketing resources are available to help communicate achievement.
- 3.18 Catering Mark meals are served at over 6000 UK sites. One quarter of schools in England, several government-run institutions and local authorities, and some leading UK hospitals are already working to FFL Catering Mark Standards.

Cost Implications

- 3.19 Evidence from caterers adopting the FFL Catering Mark shows there are typically no cost implications to implement the standards to Bronze level – i.e. due to a change in the type of food sourced. However, there is an annual audit fee which ranges from £550 per year for smaller settings, up to £1000 per year for larger.
- 3.20 For council contracts over £75,000, the inclusion of a requirement for the contract to be delivered under the Bronze FFL standard is expected to be cost neutral to

the council. The contractor will have to achieve certification and be subject to an annual audit fee (see **Appendix 3 FFL Catering Mark Standards and Fees**).

- 3.21 For contracts/spend under £75,000 the costs are likely to be minimal. Applying for the Catering Mark will not be mandatory and therefore no audit fee will be required unless the caterer/kitchen chooses to apply. If the council sought the catering mark for *all* its council managed catering outlets a *one off* fee of £1,000 applies. This report does not recommend this approach at this point: further work should be undertaken to ensure this approach would be successful. If this route is taken, another report would seek committee approval. Adoption of these MBS provides a foundation from which further achievement can follow.
- 3.22 Adopting FFL standards can potentially deliver cost savings. Many caterers have found switching to local suppliers helped shorten supply chains, saving money. Serving Catering Mark meals also helps caterers increase meal uptake thus improving profit margins. FFL Partnership research found that of public sector institutions adopting FFL criteria, 71% reported implementation of FFL sustainability criteria was cost neutral, whilst 29% reported overall cost savings. The [case studies](#) for these can be read on the [Soil Association](#) website, these are summarised at **Appendix 4 Case studies from organisations that have achieved the Soil Associations Food for Life Catering Mark** (produced by BHFP).
- 3.23 A Government commissioned report into [DEFRA's 'Public Sector Food Procurement Initiative'](#) (PSFPI) concluded that costs decreased when there was an increase in the procurement of UK, regional, seasonal, farm-assured and small/local supplier produce (60% of those surveyed reported cost decreases or no impact on food costs).
- 3.24 The experience of the Brighton & Hove School Meals service is that achieving Bronze FFL has had no impact on costs. Whilst the school meals tender document did not specify achievement of the FFL Catering Mark, *the standards themselves were included* and tender returns were financially competitive. Having achieved the standards, the caterer then went on to achieve the Catering Mark. The price of the school meals contract was not increased. This contract is highly price sensitive, delivered under a burden of regulation higher than most other council catering contracts, and demonstrates the achievability of Bronze Standard.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 BHFP researched progress made by other councils with standards for catering: Bristol, Plymouth, Lambeth, Leicester, Havering, Sheffield, Cardiff, Herefordshire, Stockport, and Kirklees. Progress by other authorities has been made around school meals rather than adopting standards across all council catering contracts. Therefore Brighton & Hove could be the first to make this commitment.
- 4.2 Contact with these councils provided important lessons learned on delivering standards across contracts. These included stressing importance that: procurement officers are involved to ensure standards are written into contracts; catering contract managers are actively engaged; and that health and sustainability are both included in standards. They stress that trying to develop

new bespoke standards has not been successful, and adoption of existing standards is a better approach.

- 4.3 Three sets of minimum standards were presented by BHFP to council officers for consideration. **Appendix 2** provides *Options Analysis*. Options included:
- i) Government Buying Standards (DEFRA)
 - ii) Bespoke standards developed purely by and for council contracts
 - iii) Bronze FFL Catering Mark (Food for Life Partnership)
- 4.4 On consideration, catering managers felt FFL offered the most reliable method for improving standards. Due to standards being tried and tested; as commercial caterers know and understand them; as annual audit helps ensure caterers are doing what they say they're doing; and the trusted logo helps communicate to the public, enhancing confidence and ensuring consumers benefit.
- 4.5 The use of the Catering Mark incurs a cost for annual auditing. BHFP recommended a threshold adopted into the council standards below which FFL certification would not be a requirement, as smaller caterers may find certification costs would not be recouped. BHFP recommend a threshold of £75,000.
- 4.6 For catering outlets falling below the £75,000 threshold, the proposed MBS specify a precise set of standards for budget holders to follow. This will provide helpful definitions of healthy and sustainable food standards for smaller caterers e.g. nurseries and adult social care kitchens.
- 4.7 The officer workshop revealed a lack of co-ordination between these discretely managed smaller catering outlets and kitchens, and that group buying could provide cost savings and streamline procurement processes. Opportunities for development of a Buying Group to increase value for money would be a helpful next step in the delivery of healthy and sustainable food under council contracts. BHFP have some resource to be able to help the council explore this.

Community Meals Contract

- 4.8 The Community Meals Contract is the 2nd largest council catering contract after School Meals. It is currently awarded to RVS (Royal Voluntary Service) who subcontract the cooked meal element to Sodexo/Tillery Valley. RVS also carry out a 'safe and well check' when the food is delivered. Contract renewal is due 2016 with a potential 1 year extension.
- 4.9 Community Meals are currently unlikely to achieve FFL Bronze Standards because meals are processed remotely and transported frozen to be reheated locally. Bronze FFL Standards require that 75% of dishes be freshly prepared from unprocessed ingredients on site or at a local hub. At a national level, few caterers are capable of meeting FFL Standards for community meal contracts. This is therefore a problem shared with all LAs.
- 4.10 Council officers working on Community Meals aspire towards a more local approach. There are current opportunities being explored with Sussex Partnership NHS Foundation Trust who are in the process of developing a new catering production unit which may have capacity to produce and process food for other public sector contracts across Sussex. If this becomes a viable supplier,

RVS may the flexibility to transfer to an alternative supplier and a contract variation could be negotiated.

Other settings

- 4.11 The city hosts over 400 outdoor events each year that include an offering of food. The council provides a suite of guides and documents for event organisers and exhibitors on the [Sustainable Events page](#) of the council website. If adopted MBS will be included in the Sustainable Events Guide for Outdoor Events.
- 4.12 Other establishments serving food that are either council owned or leased (e.g. City Park cafes) are not represented here. It is recommended that the MBS be circulated to these outlets as *recommended* standards.

Next Steps

- 4.13 BHFP has committed to continue to work with council caterers to improve standards in public sector procurement. As part of this they have offered to explore the potential for development of a 'buying group' which could offer cost and time saving for smaller outlets. They have also offered to work with Community Meals officers and contract holders to explore how this contract could be delivered more sustainably. BHFP have played a vital role in the development of these standards, and their contribution and commitment has been gratefully appreciated by officers.
- 4.14 Council catering contract managers will be advised by the Corporate Procurement Team to adopt the proposed MBS, writing the standards into the contracts on renewal or re-let; and that council budget holders and officers be advised to adopt the standards when procuring food, drink and catering services.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 BHFP obtained funding from Esme Fairburn Foundation to support the council in this work. This has included: research on national best practice; consultation with council catering managers and officers; and the development of council officer endorsed MBS based around the Soil Associations 'Food for Life' Standards.
- 5.2 BHFP work through their 'Good Food Procurement Group' with large organisations across the city to improve the food they serve. If BHCC adopt MBS, BHFP plan to take MBS out wider through the Group to ensure other organisations follow the council's lead adopting FFL standards for their catering operations. The potential impact of this on food served in the city is significant.
- 5.3 BHFP coordinate a citywide 'Good Food Procurement Group' to share and drive good practice across all sectors in large catering contracts. BHFP seek to develop a City Food Charter, which could include the Minimum Buying Standards developed for BHCC. In this way the council could lead local good practice.

- 5.4 Council catering managers have been consulted individually and at a workshop held in February 2014 by BHFP also attended by caterers and contractors. Consultation explored the options for MBS and how these could work across all sizes of contract. Officers included: the Procurement Strategy Manager and Sustainability Advisor and represented: Community Meals; Royal Pavilion & Museums and The Dome; Primary and Special Schools; Events & Brighton Centre conferences; Intermediate Care Services. Food policy, sustainability advisors and BHFP Dieticians also attended.
- 5.5 Officers expressed unanimous support for adoption of FFL certification and standards across council contracts.
- 5.6 Community consultation undertaken for the City Food Strategy 2006 and 2012 and the One Planet Living Plan 2013 demonstrated local people expect public organisations and the council in particular to have healthy, ethical, and environmentally responsible food procurement policies and practices.

6. CONCLUSION

- 6.1 Adoption of MBS will deliver the Corporate Procurement Strategy aim 'to ensure value for money is achieved whilst the council operates as a "responsible procurer" taking account of social, economic and environmental impacts'.
- 6.2 Adoption of MBS meets policy targets in the One Planet Living Plan and other corporate and citywide strategies. Implementation will contribute to a healthier and more sustainable food system, and provide healthier food for residents, workers and visitors to the city.
- 6.3 Officers managing catering contracts are supportive of adoption of these MBS.
- 6.4 MBS will contribute to bringing all council catering provision up to a minimum standard and provide a framework for further improvement.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The introduction of Food for Life Bronze standard certification for contracts over £75,000 and the equivalent standard but uncertified for those contracts below £75,000 is not anticipated to increase costs of the contracts. The audit costs for certification would be borne by the contractor.

Finance Officer Consulted: James Hengeveld

Date: 04.06.14

Legal Implications:

- 7.2 Any standards included in a council invitation to tender must be relevant to the subject matter of the proposed contract, and included in the specification associated with that contract. In the case of catering contracts, Food for Life standards would be relevant.

- 7.3 Where the procurement involved a catering contract with an estimated value at or above the point at which the EU public procurement regime applies, the specification must allow for European standards equivalent to FFL; this is necessary in order to comply with EU Treaty principles of equal treatment of bidders across the European Union.

Lawyer Consulted:

Oliver Dixon

Date: 09/06/14

Equalities Implications:

- 7.4 An EIA has not been undertaken on these recommendations. The majority of customers receiving meals through the council's largest contracts are amongst the most vulnerable in the city (e.g. via school meals, community meals and care home meals). The balanced nutrition of these meals is vital. FFL includes nutritional standards and upholds any national standards for community and school meals. FFL Catering Mark requires investment, training and up skilling of school meals staff, many of whom are on minimum wage.

Sustainability Implications:

- 7.5 Applying minimum standards will deliver a headline aim of the OPL Local and Sustainable Food principle but also delivers against: Reducing Waste; Sustainable Materials; Sustainable Water; Land Use and Wildlife; Culture & Community: Equity & Local Economy: Health & Happiness.

Any Other Significant Implications:

Risk and Opportunity Management Implications:

- 7.6 There is a reputational risk if the council does not adopt proposed standards and policy objectives to introduce minimum standards are not realised.

Public Health Implications:

- 7.7 Recommendations are intended to contribute to delivering Health & Wellbeing Strategy objectives: to give every child the best start in life; to ensure healthy standard of living for all; to create and develop healthy and sustainable places and communities; and to strengthen the role and impact of ill health prevention.

Corporate / Citywide Implications:

- 7.8 Adoption of minimum standards for catering contracts is supported by the One Planet Living Plan, the Sustainable Community Strategy, the City Food Strategy, and the Health & Wellbeing Strategy. Whilst adoption is a target within these policies, the wider objective of delivering a healthy sustainable food system is the overarching aim that adoption of standards intends to progress towards.

SUPPORTING DOCUMENTATION

Appendices:

1. Draft Standards: Proposed Minimum Buying Standards for Council Catering Contracts
2. Options Analysis: potential minimum buying standard sets for council contracts
3. Food For Life Catering Mark Standards and Fees
4. Case studies from organisations that have achieved the Soil Associations Food for Life Catering Mark (document produced by BHFP).

Documents in Members' Rooms

1. [Food for Life Catering Mark Standards Manual](#) (version 2, 2013) Soil Association

Background Documents

1. [Corporate Procurement Strategy 2014-2017](#)
2. [One Planet Living Plan 2013](#)